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12. Credit Bureaus: Reporting Service
13. Credit Bureaus: Collection and Other Service
14. The National Retail Credit Association
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NATIONAL RETAIL CREDIT ASSOCIATION
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The CREDIT WORLD

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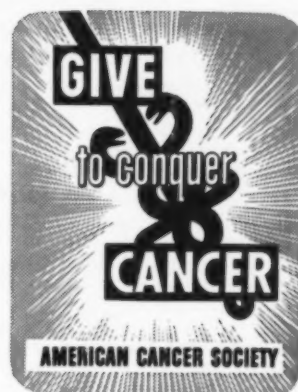
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The Credit Clinic

A REPORT of some of the questions asked and answered at The Credit Clinic held in connection with the International Credit Conference, National Retail Credit Association, Boston, Massachusetts, June 20-23, 1949

Clarence E. Wolfinger, Chairman, Lit Brothers, Philadelphia, Pa.

Panel

Banking and Finance

O. W. Frieberg, American Trust Company, San Francisco, California.

Karl G. Slocomb, Black & Armstrong, Ltd., Winnipeg, Manitoba, Canada.

Business

Paul M. Millians, Commercial Credit Company, Baltimore, Maryland.

Dr. M. R. Neifeld, Beneficial Management Corporation, Newark, New Jersey.

Consumer Credit Education

M. E. Mortenson, The Marquette National Bank of Minneapolis, Minneapolis, Minnesota.

Harry P. Earl, Credit Bureau of Salt Lake City, Salt Lake City, Utah.

Collection Service

Jerry Harris, Creditors' Service Bureau, El Paso, Texas; Chairman, Collection Service Division Committee, ACB of A.

Credit Bureaus

C. B. Flemington, Credit Bureau of Toronto, Toronto, Ontario, Canada.

Harry P. Earl, Credit Bureau of Salt Lake City, Salt Lake City, Utah.

Max Meyer, Credit Bureau of Lincoln, Lincoln, Nebraska.

Installment

Earl E. Paddon, Lammert Furniture Co., St. Louis, Missouri.

National Legislation

Harold L. Schilz, Clagett and Schilz, Washington, D. C.

Personnel Education and Training

A. S. Kleckner, Namm's Inc., Brooklyn, New York.

Public Utilities

J. Gordon Ross, Rochester Gas and Electric Corporation, Rochester, New York.

Stores

David D. Bolen, Famous-Barr Co., St. Louis, Missouri.

Hugh L. Reagan, The Cain-Sloan Co., Nashville, Tennessee.

John A. Hendry, Jas. A. Ogilvy's, Ltd., Montreal, Quebec, Canada.

Rex A. Smith, Ben Simon & Sons, Lincoln, Nebraska.

Banking and Finance

In extending credit, where the obligation is fully secured, do you consider it advisable or necessary to require a statement showing total indebtedness and amount of monthly payments for which the debtor is obligated?

Mr. Slocomb: "The answer to that would be in the affirmative. We want to protect not only our original principal, but also our anticipated profit, so it is necessary to reduce collection expenses. The obligations of the debtor are important in deciding their paying ability. Also, we do not want to depend upon our security because a repossession creates far more ill will than we can build up with a number of good accounts. I consider it important to obtain complete information of the total indebtedness and total commitments of each account opened."

What can be done to ascertain the amount of indebtedness of the borrower? Should it be the responsibility of the credit manager or the credit bureau to obtain this information?

Mr. Frieberg: "In the banking business it is our opinion that it is the responsibility of the loan interviewer, loan officer or the credit manager to obtain full information about the applicant. He must consider the income, the stability of employment, the extent of indebtedness, including monthly payments for rent or payments on a mortgage and general credit reputation. The credit interviewer can establish the desirability for obtaining this information by explaining that by receiving detailed information, he is in a position to better evaluate the request of the applicant for credit. It is our opinion, too, that any applicant who is reluctant to give you the information should certainly be discounted as a credit risk. Once you have obtained the information, then it becomes all-important to clarify as much as possible that information, and certainly to obtain a credit report with the credit reputation and credit paying habits of the applicant."

Business

Is there a major recession or depression in the offing and how long will it run? Will it be about like 1920-21?

Dr. Neifeld: "Nobody has the ability to look ahead and to tell just how long any recession or any adjustment period will run. This so-called recession is mainly due to people trying to work off inventories. All up and down the line from the retailer back to the wholesaler, the distributor back to the manufacturer, everybody is cutting down his inventory. Purchasing agents say that approximately 75 per cent of the people are on a hand-to-mouth

volume basis. Sooner or later the profits of cutting down on inventory will go as far as they can and the spiral will reverse itself. This recession is characterized by staggered adjustments. A good deal of the staggered adjustment period is still ahead of us, but remember that the economy is bolstered like it never was back in '28 or '29. The government is in there with all kinds of guarantees against all kinds of possibilities. I think in another year or so we will have, not as big a boom year as we had, but fair business conditions."

Will the price level, in your opinion, reach a point where the public will be encouraged to buy?

Mr. Millians: "Yes, at some point that will happen. The goods are not going to move until the public is generally convinced that prices have been stabilized. We had a decrease in personal income of about a billion dollars in the last month. However, consumer purchasing has dropped about 4 billion and savings has increased 3 billion. I think it is a question of good sales promotion as to where we reach the point when the public is going to buy. The artificial efforts of the present time to keep prices up are not going to help the situation but rather increase the depth of this recession."

Consumer Credit Education

How can customers be educated: (A) To the disadvantages of loose credit? (B) To pay accounts according to terms?

Mr. Earl: "First, I think that all merchants and every community should be sold on the idea that there is an advantage to, and that it is possible to, educate customers to the disadvantage of slow pay and the advantage of prompt pay. You first have to be sold on the idea that it can be done and then proceed to do something about it. This is what you can do about it. Do not open new accounts too fast. Instead of feeling that you have a volume there and can only allow one minute to the customer, I think you should take as much time as is necessary in opening every new account. It gives you an opportunity to sell the customer on the policy of the organization. I think the little booklet put out by the National Retail Credit Association, "The Good Things of Life on Credit," is the nicest little package job on telling customers the advantages of paying bills promptly. I recommend that all merchants give this booklet to every new customer, and especially to youth. Youngsters who know nothing about the use of credit will go through this little booklet, and after you have given them a sales and an educational talk, will take it home, read it through and get a real story. As one more step, I think every community should go into the high schools and the universities and give a talk to every business class on the use and abuse of credit. We have found that very advantageous and now the high schools and universities come to us each year. They welcome our coming to their schools and telling our story."

Have you any suggestions to make in the case of stores in aggressive sales promotion campaign by the solicitation of charge accounts through newspaper ads and other media where the customer is not seen by the interviewer but called on the telephone or at the front door?

Mr. Earl: "You can solicit accounts through newspaper advertising with a coupon down in the corner of a

full page ad which asks for name, address and position. When you receive an order the coupon is partially filled in, perhaps by initials, address and type of work rather than firm employed by. So you should work those coupons up to where you have full name, full address, employer and references. Then if the account is opened without interviewing the customer, I would suggest a very courteous sales letter to go to the new customer."

How often should ads be run in newspapers and should all papers be used? Can billboards be used to advantage? Approximate number and cost?

Mr. Mortenson: "Since the war, Minneapolis has had a public relations committee which has been quite active in creating a fund for the retailers and from the amount of the fund, working out an advertising campaign. This consists largely of newspaper ads and Rotary billboards. The retailers are sold on this and the banks in the city have also joined in creating a substantial fund for prompt pay. The ads are about 3 columns by 10". We think we have accomplished quite a bit in our locality with prompt pay advertising. We have two papers, the morning and the noon edition, and get quite a little coverage. We had eight Rotary 24' outdoor boards made costing us \$280.00 a month. This sign was created in the amount of from \$6,000.00 to \$8,000.00 by the retailers. We set up a symbol which was a copy of the yellow Rotary book and stated, 'Pay Promptly,' which we feel is very impressive."

Collection Service

How can credit granters help agencies do a better job of collecting their bad accounts?

Mr. Harris: "First of all, by getting the accounts to the agency within a reasonable period of time and not waiting until they are too old. Secondly, by giving the agency more information and complete information as to whether mail has been returned, whether the account has been disputed, and things of that sort. There is nothing more annoying or more hindering to an agency than to get an account, work it, and find out the account has been disputed and that the creditor knew about it all the time. If the agency had that information in the beginning, they would probably achieve much better results. The next thing, and most important, is to also report direct payments promptly. Nothing seems to antagonize the debtor more than to feel that he has not been given credit for payments that he has made. Your collection and service divisions throughout the country are interested not alone in collecting the account, but in preserving the good-will of the debtor. One of the best ways to help them in their effort of preserving good-will is to report those direct payments promptly."

Some credit granters delay referring accounts for collection until, often, the account is practically worthless. What is a reasonable time within which to place the account with an outside agency?

Mr. Harris: "Of course there is bound to be a difference of opinion on that. A lot depends upon the policy of the store, but I would say in order to achieve the maximum results at the least cost. For instance, if the mail is returned and you make an effort to trace the debtor, and you are unable to locate him, that account should get into the hands of an agency at once. They

undoubtedly have ways and means, where they can put in a little more complete and intensive tracing effort. If the customer can be contacted, and there has been no effort made to do anything about this account, it is our feeling that the account should come to us within three to six months from the time it becomes past-due. The earlier the account is given to us, as I mentioned, the greater the percentages recovered. And in these particular times, when emphasis is given by top men and credit executives, to meet the buyers market, it seems to me that the more past-due accounts collected, and the quicker the accounts are collected, the sooner those people are open to buy. After all, if they cannot buy on credit they are going to buy on cash. By having their account cleared, you have an opportunity to sell them that much sooner."

Credit Bureaus

What are the disadvantages of writing to references for trade experiences as compared to obtaining a complete credit report?

Mr. Flemington: "As far as we are concerned in Toronto, we discount the value of given references considerably. We consider them good only for tracing or establishing the identity of the applicant at a later date. A complete report will convey information both good and bad, and result in much more intelligent consideration of the application in question."

How can closer cooperation be brought about between credit bureau members?

Mr. Flemington: "I would suggest that this be done first by open house at the bureau periodically to acquaint the members with the function of the bureau and have them meet the various members of the staff, particularly the members with whom they have personal contact. It could also be done through the local chapters (what is known in Canada as the Credit Managers of Canada); through the meeting of the Credit Women's Breakfast Club; and through the medium of our bulletins. Closer cooperation could be brought about through discussion groups of the various applications of the business, and through monthly lists of past-due customers."

Mr. Wolfinger: "I would like to point out here that in our own particular store we have an idea that has been outstandingly profitable, which is that the credit manager appears before the training classes of the section managers and supervisors, and frankly asks them to discuss the problems that the floor has with the office. We in the office circulate among the office staff and ask to have the problems that arise from the floor given to the credit manager, so that those problems can be ironed out. Through this arrangement we have a better understanding of each other's problems. I think one of the things we have to do in the credit office is to convince the sales force what a big part the credit department operation plays in the total sales. When 50 or 60 per cent of the volume is on credit, you are carrying the major portion of the load, and I think it is well for the other store employees to know that."

What is the responsibility of the credit manager in speeding up bureau service? The bureau manager?

Mr. Earl: "Some of the insignificant items that are overlooked are the main items in speeding up service. One is the proper spelling of the name. When an ap-

plicant gives a name the interviewer should always ask him to spell it out. So I would say, proper spelling of names, correct address, correct employment and full information. If too brief information is given to the credit bureau, they cannot locate the report involved, and there is a loss of time in going back to the merchant and trying to locate the record. As to the bureau manager, training his help to obtain full information from the merchants is his most important responsibility. His employees should be even better trained than the merchants' employees in obtaining the proper information from the interviewers."

Should the credit bureau develop reports on all new arrivals?

Mr. Earl: "I believe now that we are going into a buyers' market, you merchants need all the business you can get. It is well for credit bureaus to obtain reports on all new comers. We have just installed such a service which is well received, and we think it affords an opportunity to increase business for the merchant."

How can bureau service be speeded up sufficiently to satisfy all classifications of business and not affect the quality of reports?

Mr. Earl: "It is not easy but it can be speeded up. There are some cases where a merchant has to have information right while he is interviewing the customer in deciding whether or not he is going to grant the loan. Ordinarily, for regular merchandising, this can be done through the proper training of your help to give efficient service. However, a credit bureau can only act as a mirror and reflect back to you merchants what you give to them. If the merchants are slow in serving credit bureaus in their inquiries or verifying jobs, we are going to be slow in serving reports. Invariably, when a merchant has a few credit department employees ill, they will take care of their own work first and they may neglect our calls for trade information; then we are criticized. I am a believer in the fact that every obstacle can be corrected through education and cooperation."

Mr. Flemington: "I think it should be kept in mind by the members that the more 'rushes' they ask for the more our general service is interrupted. If there are too many rush cases it is bound to reflect somehow on the caliber of the reports, and we like to make our reports as full and complete as possible, containing all information which will be of benefit to the credit manager."

Mr. Meyer: "The matter of requesting rush reports is largely an attitude of mind and frequently they are not necessary. We discourage the use of rush reports except when they are. Some bureaus make an extra charge for such reports and they say that cuts down the rush inquiries perceptively. It is a matter of doing what the credit manager needs when he needs it, and the bureaus, I am sure, are all willing to cooperate."

Installment

What plans have been developed to build installment sales now that durable goods are available in larger quantities?

Mr. Paddon: "I rather imagine that we are turning backward to lower down payments, and longer monthly terms. In the soft goods variety we have many plans, such as the one-over-one plan, and other plans calling for \$10.00 a month, with a small carrying charge of 1 per

cent a month. However, I do not believe this will bring as large a volume as that obtained by some of the building concerns who are installing various kitchen appliances and financing it with their homes. I know of a plan that was advocated, and I believe in use in some localities, where kitchen appliances are sold in quantities of \$1,500.00 and financed by a second mortgage on a home. Some of those plans are a little far-fetched, and extend payment rather far, but I believe as we get away from Government control, of terms, we may see refrigerators going to a 36-month basis, possibly even with nothing down."

Is there a tendency to sell terms instead of merchandise and service?

Mr. Paddon: "I believe there is always a tendency to sell terms. A credit department is a selling organization, and has been for some years. While the advertising of the store would cover the merchandise that is sold and the merchandise should be sold based upon its quality, still, the possibility of expanding the sale through the use of terms is something we should not forget. The advertising of the change of Regulation W not so long ago brought about a condition that was, to my way of thinking, rather unfortunate in that it told people they could buy for 10 per cent down and 24 months to pay. That is not necessarily good advertising for us in the credit game because we may not want 10 per cent down on all commodities. We may not want to give 24 months. But I believe a wise method of advertising terms to increase volume is good."

National Legislation

What is the attitude of the Post Office Department regarding "Skip Devices?"

Mr. Schilz: "They almost characterize it as a sales fraud, and I think that is the attitude they have taken in such cases. However, one of the cases that was brought into the District of Columbia in 1947, resulted in the entry of an order by the District Court, where they in effect enjoined the Post Office Department and the Postmaster General from proceeding under fraud orders involving skip tracing devices. So I am informed that their activities at the present time are suspended insofar as the Post Office Department is concerned. That does not mean, however, that there is not other governmental action and other governmental facilities available. I suspect that where they receive complaints they are now taking them up through the Federal Trade Commission, because you will note that within the last two or three months a complaint was brought in a matter of the Federal Trade Commission against a large National clothing chain. The device involved in all of these skip tracing actions has been just about the same. For example, a store which is trying to discover the whereabouts of a past-due debtor would set up a subsidiary, under some other name perhaps, at some other address. Then the subsidiary would use various means to attract the attention of the delinquent debtor. They would send out a statement that they had an unclaimed prepaid parcel for the debtor and that upon his returning a form, usually a double post card filled out with name and complete address, the prepaid parcel would be sent to him. That was the device in a case which arose in San Francisco. This man had advertised that he had a new method of assisting people all over the country in obtain-

ing information on the whereabouts of past-due debtors. He would have a store, we will say, in Kansas City or St. Louis, forward him a list of all these debtors, then he would mail out cards from San Francisco with their San Francisco address, stating that he had a pen to give away. It turned out that all he had was pen points, and the Federal Trade Commission proceeded on the ground that that was unfair activity. Of course, when he received the cards with the information as to the address of the debtor, he would return them to some 1,800 merchants throughout the country who were on his subscription list. The Judge of the United States Circuit Court vigorously characterized that as a "cheap swindle," so you can see the attitude of the courts. In another case called *Lewis against Hannigan*, Postmaster General, brought by the Post Office Department, a mail fraud order was issued against the Imperial Package Distribution System of Newberg, N. Y. They advertise they had a prepaid package which turned out to be an ash tray that they sent out. In that case the fraud order was obtained by the Postmaster General through its own trial examiner, but when the attorneys for the *Lewis Company* went into the District Court in the District of Columbia, they obtained an injunction against the Postmaster General, and as a result of that case, the activities of the Post Office Department have been suspended. Your attacks today will not come through the Post Office Department, but probably, if they are serious and severe enough, will come through the Federal Trade Commission."

(To be continued next month.)

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DeLoss Walker

(Continued from September CREDIT WORLD.)

Fallacies are overpowering us today. There is a great common belief that by force it can be done. We would be glad to resort to war and murder if and when it is necessary. We organize and resort to strike and intimidation. We pass laws condemning, prohibiting, controlling, freedom and the actions of men. But we are just as wealthy as the sum total of the materials we produce, no more, no less.

You can juggle this potato law back and forth, you have headaches and potatoes coming out of your ears, but we are no better off. Farmers will grow potatoes, the kind we want, or as many as we want at prices we are willing to pay and it is no Government concern. Beyond that, we are building for the greatest depression the world has ever known. We will have a continuing depression through the years, because all kinds of socialized order live on a continuing depression. They never again reach the great heights.

Time Lost is Lost Forever

Time lost is lost forever. Let us go back three years when that great motor industry had a strike, paralyzing the entire industry, when hundreds and hundreds of thousands of men not only stopped working, but refused to let their machines operate, and the wealth thereby lost will never be produced in the history of the world, because time lost is lost forever. You cannot go back and live those days over again, they are history. You cannot produce the wealth of 1946 in 1949. You might catch up with automobile production some day, but those men and machines and materials will be used for some other kind of production for which the world is still waiting, for time lost is lost forever. Do you mean those workers are poorer? No, I am not even talking about that. I am saying children yet unborn will live and die poorer because we forfeited an opportunity, as time lost is lost forever. You cannot regain it. You cannot cheat on the eternal laws of God Almighty. Quit trying it, Americans and Canadians.

Adjustment is always the need of the hour. Anything we are doing today will be outmoded tomorrow. We constantly have to adjust back and forth; hour, day, week, month, year, as conditions change, as we learn and grow, as our population grows. There are probably 13 million more people living in this country today than there were at the last census 9 years ago. Hundreds of thousands of high school boys and girls and college boys and girls recently graduated, a great new force, better trained than ever before. We have to adjust now, we have to make these changes. That is the first law of life and progress, to adjust.

Have Economic Adjustment Now And Prevent Depression

An address at the 35th annual International Consumer Credit Conference,
Boston, June 22, 1949

You cannot live by debts, government debts or private debts. In 1937, to operate our federal government, it required an amount of money equal to the entire income of every man and woman in Pennsylvania and Missouri. Ten years later in 1947, in order to operate our federal government, it required an amount equivalent to the entire income of every man and woman in 25 states. You cannot laugh this out of record, and you cannot statistically put it out of the record, it is there. "And be not deceived," said a great prophet more than 2,000 years ago. "And whatsoever a man soweth, that shall he also reap." Whether we are many men in a nation or one man individually, we are not far from the harvest. I am not trying to scare you, I am trying to get us to admit a truth, an eternal fact. About one-third of your income now, goes for the support of Government. But it is not income invested in tools and research, so that in shorter hours we can produce more wealth and build more homes for half the cost, it is not that kind of investment. Much is spent to keep parasites feeding off your bodies, and if you are honest you will admit it. If you do not know, I will give you the facts. If you do not care, that is another story. For you see, dollars are not wealth, they never have been and never will be. The dollar which we customarily think about is the kind which the government coins and prints, but there is yet another magic coin which is always invoked as progress continues, as business starts up, and that is the *character* dollar, the *credit* dollar, the *faith* dollar. That was what was missing in the last depression. And to get business started and people back on payrolls, I had to make people understand that it is character that builds a nation.

This is a serious subject, for it is your future, it is your children, it is your life, we are discussing. There is something we can do about it. We can start now. We can make the adjustment. We can have a corrective long overdue and prevent a disastrous depression, a debacle. For when men have lost their faith and their character, all the laws in the world will not balance an economy.

Inspire a Desire to Learn

I won a national championship in athletics at one time, high jumping. Do you think I bought off the judges? There were 20,000 people out there watching me go over the wire, I could not have bought off the judges. I would have to buy off 20,000 people and I am not rich enough.

In high schools I have asked boys and girls, offering them a ten-dollar bill or a twenty, "Just name any athletic work or any exercise you do to put any muscle on my arm, go ahead." The boys said, "Go on, Mister, if you ever get strong you'll have to do it." And to the

girls who were laughing at the boys, "Come on, girls, for twenty dollars name any studying you do to make me a wise man." And they said, "If you ever learn anything, you'll have to study." Do you see what I mean? You cannot do it for anybody else. We must inspire a desire to learn because man cannot do better than he knows, and we are all born totally ignorant.

We are all born weak, we are all born ignorant, we are born even without breath. And struggle we must for our first gasp, fight we must for our physical strength, and study we must to get ahead, and there is no other way under the heavens, and you all know that. Then why tell somebody he does not have to struggle, we will just give him security? You can only wreck a nation, you cannot guarantee a man an impossible thing. Someone has to go out and milk the cows if he does not do it. Old Bossy goes dry if you do not milk her twice a day. I used to do it, I know. There is no short cut, there is no easy road, there never has been and there never will be. The greatest thrill you will ever get is learning how to work. There is a thrill in thinking, creating and serving. There is no other such thrill under heaven. Filling your stomach three times a day is not a thrill, and if you keep on doing it long enough you finally die from it.

Big Depression in Sight

We deserve a great big wonderful depression with our present perspective, and I promise you we will get it. The eternal laws have so decreed. For the laws of punishment and retribution are written in the stars, which any smart man knows and fools cannot live long unless they become smart, in any other degree than poverty. We want again to open that door and keep it open; that door of freedom that leads to opportunity. Join me, fighters for freedom. Join that great Virginian who stood before an audience one day and said, "I know not what course you might take, but for me, give me liberty or give me death." Patrick was not fooling, and he knew they might take him out and shoot him. Join George Washington and his associates who wrote, "We mutually pledge to each other our fortunes, our lives and our sacred honor." And George and his followers were not kidding, and if they had lost, they would have been stood against a wall and shot. Liberty demands a price and it cannot be guaranteed. America hangs in the balance, for no people who have lost freedom ever had the strength to regain it in the history of the world. My appeal is, that now we get back to the facts. We must train men, women and children that this is a wonderful world, made by a Creator who makes no mistakes. We are not going to fail, we are going to put it over, for all over this land are people just like you and me, who love freedom and I believe when challenged to understand it, will pay the price, and if not, we do not deserve it. Prosperity is bought with a price the same way. And we have to tell it to folks who are confused and dis-

couraged. We have to become leaders of men and women.

It was on our New England shores that a little band of Pilgrims moored their ship. They came ashore in December, greeted by savage Indians, hungry animals, and shut in by dense forests, too late now to chop down some of those great trees and build good homes and warm firesides. They were not prepared for the rigors of a cold New England climate, for they had come from a much milder country. Now they were having to fight animal or Indian or both. They could not go back now if they wanted to, over an uncharted wintry sea, and were shut in from the West by these great virgin forests. Their resistance lowered and they began to die, dropping off like flies on all sides.

What did that courageous little band of Pilgrims do in their desperate hour? Did they, I ask you, send a wire to Washington, D. C. to the President of the United States, asking him to call on Congress saying, "We're in a mess up here and do something about it quick?" Did they do that? No, that is what we have been doing every time we get in a little trouble. I will tell you what they did, or something like it.

One of those Pilgrims picked up his little boy that had just died, and looked down at the bed where his wife was then lying in a dying condition. He hurried out to a cold New England hillside, but the ground was frozen so deeply he could not take the time now to dig a grave. He put the little body on top of the ground, built a mound over it, then pulled over a rock as a protection, not a marker. He rushed back to his wife's bedside; standing there so helpless, he finally watched her life ebb. This time in his strong arms he held the body of his wife, maybe the real reason why he dared to tackle this cruel new world. With manly tears streaming down his cheeks he proceeded to that little cold New England hillside and beside his boy he put the body of its mother and over it built another mound of snow and pulled over another rock. Then standing alone that awful day, pulling himself at full stature, baring his head as he looked up at the heavens, he cried out, "Oh, God, give me the strength and courage to carry on, for here stands civilization," and when he said "here," he smote his own chest. It is a fact that more than one half of all those Pilgrims perished that first winter.

Get Business Rolling in Great Volume

But next Spring when the Mayflower, the ship that brought them here, started on its return voyage, although more than half were already dead, not a single man or woman went back. They did not have billions of gold buried at Fort Knox or billions of silver buried at West Point, nor mystic nor magic recovery laws written on their statute books, they had and only had the thing that builds civilization, and knew they had it each in his own heart, and were willing to prove it unto death.

They were our ancestors, they were the givers of freedom in Government and freedom in enterprise and business, and I think they gave us the greatest challenge we have ever had. Let us keep their vision, their challenge, join this freedom fight, stop the things that we know are wrong, train men to do the things that we know are right, and get business rolling in great volume again. You need not have a depression in America. ***

*Reading this publication carefully
and regularly will contribute to
your success as a Credit Executive.*

The Use of Telegrams For Collecting Accounts

JOHN H. WATERS, General Attorney, The Western Union Telegraph Co., New York, N. Y.

MY ATTENTION has been directed to the article entitled "Credit and the Law of Libel," which appeared in the February, 1949, CREDIT WORLD, written by David B. Zoob, of the firm of Zoob and Matz, of the Philadelphia bar.

While we do not disagree with anything specifically stated in Mr. Zoob's article, we do feel that what was left unsaid tends to exaggerate the risks involved in using telegrams as compared to the risks involved in employing letters and postcards for collection purposes. Our contention boils down to this: The sending of a telegram for the purpose of collecting a past-due account involves no more practical risk than sending a letter for the same purpose.

We do not question the accuracy of the statement that the mere filing of a message containing libelous matter at a telegraph office constitutes publication in the eyes of the law. However, Mr. Zoob's article fails to point out that, although there is authority to the contrary, in many jurisdictions the mere dictating to a stenographer in the ordinary course of business of a letter containing libelous matter also constitutes publication and such publication is not privileged. Mr. Zoob mentions the possibility of a *misdelivered* or *misaddressed* letter getting into the hands of a third party for whom the letter was not intended and the possible consequences thereof, but he does not mention the rule that there is a publication where a libelous letter properly addressed and delivered is opened and read by a third party, such as a clerk or secretary of the addressee (most businessmen have clerks or secretaries who open and read their mail) and where the sender of the letter had reasonable grounds to suspect that it might be opened and read by such a third party.

Telegrams are Confidential

Furthermore, under the Communications Act of 1934, applicable to all interstate telegraphic messages, and under the provisions of similar statutes in most, if not all, states employees of telegraph companies are prohibited from divulging contents of messages to unauthorized persons, these statutes carrying severe penalties for violations. Consequently, where the only publication of a libelous telegram is that made to the telegraph company, the defendant, as the court makes clear in *Western Union vs. Cashman*, 149 Fed. 367, is entitled to have the statute called to the attention of the jury and to a charge that a presumption exists that the statute was not violated and that there was no further publication. Of course, this does not defeat the cause of action entirely but it does directly affect the quantum of damages recoverable. This ruling obviously does not apply to the publication of a libelous letter or postcard.

With respect to the use of postcards for collection purposes, under the Post Office Department's interpretation of Section 599, Postal Laws and Regulations, 1940 (Section 212, Criminal Code [March 4, 1909]; 18 U. S. Code 335) it is a penal offense punishable by a fine not to exceed \$5000 or imprisonment not to exceed five years, or both, to mail a postcard threatening the

addressee with suit if a debt, account, etc., is not paid even though the card does not contain libelous matter. Following is an excerpt from a circular, captioned "Dunning Postal Cards," issued by the Post Office Department:

"The provisions of this section against matter of a 'threatening character' are held by the Department to cover and make unavailable cards that threaten the bringing of suits or legal proceedings if debts, accounts, etc., are not paid."

I know of no similar federal or state statute or any rule of law prohibiting the sending of a telegram threatening suit in the event a just debt is not paid, provided of course there is no outside libelous matter in the message.

Without going into a discussion of the advantages of telegrams over letters from the standpoint of effectiveness as a medium for enforcing collections, it seems to us that the answer to the problem of possible civil liability for libel does not lie in choosing between a letter and a telegram but in seeing to it that the collection message, be it telegram or letter, does not contain libelous material. While we are fully in accord with Mr. Zoob's views to the effect that no hard and fast rule may be laid down and followed with impunity in all circumstances, we do believe that a plain, common sense approach to the facts of each case should reduce the risks involved in sending a collection message to the point where they are negligible and should enable the collection man to compose a written message which under the pertinent circumstances could not be construed as libelous. As already indicated, to my knowledge there is no statute or rule of law which prohibits the sending of a telegram or sealed letter demanding payment of a just debt or threatening suit in the event a just debt is not paid, so long as the communication does not contain outside libelous matter. As also previously indicated, it is impossible to lay down specific rules as to what might constitute "outside libelous matter" in all cases. The answers to the following questions, though not conclusive, should be of some aid to the collection man in trying to decide whether a particular message should be sent to the debtor:

1. Are the statements true? (If not, obviously they should not be made.)
2. Is the addressee, under a reasonable construction of the wording employed, being accused of dishonesty, unfairness, or lack of integrity simply because he has failed to pay his debt? (He might not have the money to pay it.)
3. Is the addressee, under a reasonable construction of the wording employed, being accused of an unwillingness or refusal to pay the debt simply because payment has not been forthcoming to date? (See No. 2 above.)
4. Is the addressee, under a reasonable construction of the wording employed, being accused of failure, refusal, unwillingness, etc., to pay, or even of slow-

(Turn to "Use of Telegrams," page 13.)

The Charlie Waggoner Fund

IN RESPONSE to my request for contributions to the Charlie Waggoner fund, remittances have been received from members who did not receive my letter but heard of Charlie's condition through other members. Because it was impossible to communicate with all members, among them no doubt there are many who knew Charlie Waggoner when he was in credit work, I am making this announcement in *The CREDIT WORLD*. It will enable friends of Charlie, or other members who are interested and who did not receive the letter from me, to join the contributors in making the undertaking an outstanding success. So that all members will be informed I quote below the letter which explains the situation fully.

"A former loyal member of this association and for many years manager of the Credit Bureau of Wichita, Kansas, lies dangerously ill at his home in that city. He suffered a stroke in January 1947 and has been flat on his back and helpless continuously since that date. There is very little, if any, hope that he will recover.

This letter is being directed to fellow bureau and credit managers, some of whom knew Charlie Waggoner in the days he was active in the State, District and National organizations.

In a letter from friends of Charlie's who are interested in his welfare, they wrote that he and his wife are destitute. They receive only the absolute necessities of life, which are supplied by the County Welfare. He is in his fifties, so does not qualify for old age benefits.

It is hoped a sufficient sum will be raised to liquidate the mortgage on their home, a small cottage, which amounts to \$4,110.79. The Credit Bureau of Wichita has contributed \$500.00 and friends in that city another \$530.00.

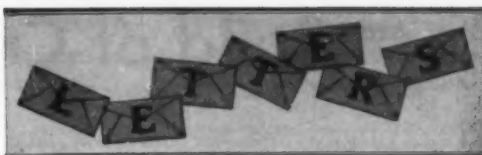
The National Retail Credit Association Board of Directors has approved a contribution of \$500.00, and my request that I be permitted to communicate with credit and bureau executives in behalf of assistance for Charlie Waggoner and his wife.

Contributions of any amount will be appreciated and will help in making things a little easier for one who cannot help himself and whose future is dark.

Trustees of the fund are F. Tony Eisenbach, Dockum Drug Company; Royce W. Sehnert, *Wichita Eagle*; and Ralph B. Kearns, Credit Bureau of Wichita, 201 Kaufman Building, Wichita, Kansas, to whom checks should be made payable. Remittances mailed to the National Office, 218 Shell Building, St. Louis 3, Missouri, will be listed and forwarded to the Trustees."

Some members thought they should also have been contacted but a general appeal was not anticipated. However, because some friends of Charlie's, whom we did not know, felt that they should have had an opportunity to contribute, it was decided to mention the matter in *The CREDIT WORLD*.

Any member wishing to contribute to the fund may remit to the National Office, 218 Shell Building, St. Louis, for transmittal to the trustees or remit to Royce W. Sehnert, one of the trustees, care of *Wichita Eagle*, Wichita, Kansas. Contributions received as of September 12, 1949, total \$3,255.00.—L. S. Crowder.



"This note is to tell you how much I enjoyed making your acquaintance and to thank you for the part you took in making my visit in St. Louis a very happy one. We hope that at some time soon you will give us an opportunity to show you some Hawaiian hospitality. I have found the literature you gave me very helpful and will pass it on to the other members of our group. With kindest personal regards and, as we say in Hawaii, Aloha."—Alice R. Knapp, C & D Dress Company, Honolulu, T. H.

"I wish to compliment you on *The CREDIT WORLD*. It is a fine publication and I look forward to reading it every month. I read it from cover to cover and have kept every copy since my membership began. Every credit executive in the United States should read this magazine."—R. J. Morgan, Credit Manager, The Hub, Wilkes-Barre, Pa.

"I want to say that I feel the 35th Annual Consumer Credit Conference in Boston was very educational and beneficial, as well as an opportune time to make many new friends and renew old friendships. As C.W.B.C. chairman I had the opportunity to say hello to many that I would not have otherwise. We in Washington will be most anxious to make District 12 feel at home in February, 1950, and look forward to welcoming the delegates."—Francie E. Rowe, First Vice-President, C.W.B.C. of N.A., Washington, D. C.

"I received the N.R.C.A. textbooks recently, and they are worth their weight in gold. I feel that by using them properly, they will increase my membership in the Credit Bureau one hundred per cent."—Leonard Murdock, Manager, Credit Bureau of Belen, Belen, New Mexico.

"I gratefully acknowledge receipt of the pin of the N.R.C.A. Quarter Century Club handed me by Thomas Clarke of the Ogden Retail Credit Association. I have been a member of the organization and subscriber to *The CREDIT WORLD* for over twenty-five years and appreciate the publication with its many interesting discussions of credit problems."—Wm. G. deMik, Jr., Credit Manager, Fred M. Nye Co., Ogden, Utah

"The purpose of this note is to tell you how thoroughly I enjoyed the Boston Conference. During the past two or three years that I have been attending the N.R.C.A. Annual Conferences I've found them stimulating and an excellent source of information on consumer credit problems. I congratulate you on the excellence of these Annual Conferences."—Paul M. Millians, Vice-President, Commercial Credit Co., Baltimore, Md.

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MARKET • OPINION • ATTITUDE Research

Guild of Credit Control

MARJORIE A. HALL, Assistant Credit Manager, T. D. Whitney Co., Boston, Mass.

ALL DURING the war there was little thought of over-buying. Everybody's thoughts were devoted to production, or in the case of department and specialty stores, to getting merchandise to satisfy the enormous demand of our customers. Selling was no problem in spite of the Federal restrictions on credit and the heroic efforts to reduce individual's cash surpluses through the sale of Series E and G War Bonds.

More than a year ago, however, came the first indication that the inflationary trend which set in after the repeal of price control might not run forever. I am referring to the February 1948 break in farm commodity prices. For a few weeks this attracted considerable attention, and caused a flurry of comment, but then was forgotten until food prices really started coming down in the Fall of 1948. Apparently, however, the public at large was unsatisfied, even last Fall, and looked for the still lower prices that are now becoming apparent almost daily.

Fast Changing Conditions

Today we are faced with a fast changing condition; supply has practically caught up with demand. Just observe the automobile dealers' showrooms, the number of vehicles on display; note the newspaper ads, delivered price quoted, cars sold without trade-ins, extras only if desired. Wayside furniture and appliance shops are springing up on many corners, with display windows well stocked.

So now people are talking and thinking in terms which range anywhere from "leveling off" to outright depression. The point is that sober-minded businessmen and economists believe that the boom period ended last Fall and Winter, and it is in keeping with this belief that we are now considering the control of over-buying.

The title I have chosen for my subject is "Guild of Credit Control." Referring to Webster's dictionary, I find the first definition of the word "Guild" as follows: "An association of persons for mutual aid and protection." In spirit and in purpose this is what a well-organized credit department could be, *A Credit Guild*, consisting of the key person of each division in credit work.

Our credit guilds, however, are not the only departments concerned with this over-buying problem. There seems to be a universal determination by merchandise managers to control over-buying of merchandise. Outstanding orders are sharply curtailed and inventories should move downward. This is good because it marks the return of normal pre-war conditions when "hand-to-mouth" buying was the order of the day. But let us return to the credit control of customers over-buying. It seems to me that our problem falls into two parts, accounts that have already over-bought, and those that will try to from here on.

Those that are already over-extended are graphically described in a recent LIFE magazine. I refer to the

young husband and father who bought the car, radio, refrigerator, stove, breakfast set, high chair, play pen, and so forth, when his and his wife's incomes aggregated well over \$100 a week, and who now finds himself unemployed and owing some \$40 to \$50 for current purchases, plus \$1000 on the car, with the installments coming due each month. We should not criticize this young man. He never knew normal times, and undoubtedly thought (if he thought at all) that last year's economy of merchandise scarcity and full employment would continue forever. He seems like a first-class honorable person, but suppose he does not get a job for a while. Will he begin to think that his predicament is not his fault, and that society owes him a living, including the retail stores, if he can succeed in obtaining merchandise on credit carelessly extended to him?

With accounts like this young man's in mind, it seems to me that our first duty now is a most careful review of all (and I mean all) of our past-due accounts and other accounts where the size of the balances seems too large. I think we should get new credit information on all such accounts and keep it up to date in all such cases as seem advisable. I think we should invite those with over-due accounts to come in and talk over the situation. Here is a fine opportunity to educate those willing to cooperate, in budgeting their incomes so as to work out of their troubles and learn the proper use of personal credit.

I think we should report these talks in our local credit group meetings so that all the creditors involved may decide and cooperate on a uniform policy toward that account. I think special efforts should be made to keep bookkeeping postings up to date on all accounts, and to train our billing clerks to recognize and report immediately on situations that look unhealthy at the time of posting. I think that the 1932 device of "pooled accounts" can be revived and used to advantage in many cases. For the benefit of those who were not engaged in credit work in 1932, "pooled accounts" means that the creditor stores reported their amounts due from a given debtor to a central agency, usually the local credit bureau. This one organization became the sole contact with the customer and all payments received were periodically pro-rated among the creditors.

Now to the control of future over-buying. I have thought over the mechanical steps of which the first is accepting the application for the new account. If we are normally careful to get full information, I do not believe that much can be changed in our regular procedure, except maybe to make a notation to tab or flag at the very beginning, the accounts of wage earners

To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.

whose incomes are subject to layoff or other interruptions, so that these accounts may be watched more readily if conditions seem to warrant.

On the verification of the credit information, I think we should use all care possible to ascertain its accuracy and completeness. When asking for credit service from your local credit bureau, have your clerks carefully and distinctly pronounce the entire name when using telephones, not John Doe but John J. Doe, and double check on typewritten requests. Let us not make decisions based on wrong or incomplete information.

On authorizing merchandise deliveries, I do not see where much can be changed, provided our systems are basically sound. I do feel that great care should be exercised by the person delegated to perform this duty. In a small organization, I would advise the credit manager or his assistant to limit all accounts. It might be a good idea to re-examine our individual merchandise delivery authorizing systems, to make sure that they will hold up under normal, as well as boomtime conditions.

I think we should sharpen up our internal systems of reporting accounts that are up to or over their credit limits, so our credit guild may be given all possible time for decision, as well as action. This internal reporting should also apply to past-due accounts as soon as they become in arrears, rather than when they have already become a problem.

These things can all be done within our own guilds, but there is another matter which I think is of the greatest importance, and on which I believe we should plead for recognition and cooperation. I refer to participation in planning with merchandise and sales promotion managers. Their jobs are to purchase merchandise, advertise and display it, and see it sold in order to provide the gross profit to cover expenses plus.

Suppose, however, the major appliance buyer comes to the merchandise man all excited and happy with a lot of, shall we say refrigerators, at a great bargain. His enthusiasm spreads to the merchandise manager, and after he has consulted with the advertising or sales promotion department, they decide on a large purchase and full pages of advertising.

Consulting the Credit Manager

Do they stop to consult the credit manager? Maybe yes, but maybe, no. If they did before the order was placed, I am sure that good would result. Maybe the credit manager would say "Go ahead." But maybe he would say "Can't we tighten up a bit on our credit terms. I am having an awful time getting the money for the last lot we sold." In any event, knowing what is to happen in advance, the credit guild will be forewarned and ready for its decisions before the advertising hits the newspapers.

This is control of over-buying at the source, the very fountain-head, and I believe that it is the place at which many of our difficult problems can best be solved. The end of the inflationary period places an especial responsibility on the retail credit men and women of America. Collectively our decisions and actions will exert a real influence on our national prosperity and financial stability. As individuals, and through our associations, let us be professionally sensitive to the changing times, and devoted in the interests of our customers and our stores to sound, wise credit policies. ★★★

"Use of Telegrams"

(Beginning on page 10.)

ness in paying, *all* his debts or his debts to *others* where the sender does not have proof of these accusations? (Such accusations, if false, might tend to injure the addressee's credit standing.)

The Cashman case, referred to above, did not involve a "collection" message and as a matter of fact I do not know of a single instance in which such a telegram has been made the basis of a libel suit. The absence of or in any event the scarcity of reported cases in point would seem to indicate that any risks involved are more theoretical than practical.

From time to time, the telegraph company for the convenience of its patrons has prepared circulars containing texts of suggested messages to be used for collection purposes and it is my considered opinion that, except possibly under the rarest and most unusual factual circumstances, not one of these suggested messages could be held to be libelous. Copies of these lists are available upon request.

I have taken the liberty of submitting a draft of the foregoing to Mr. Zoob and am pleased to quote from his response of recent date as follows:

"I have no objections or any comments to make in connection with the enclosed draft sent me which is addressed to the Editor of *THE CREDIT WORLD*. However, I do feel it necessary to state that I had no intention of exaggerating the risks involved in using telegrams as compared to the risks involved in using letters and post cards for collection purposes, nor do I think that I did so." ★★★

How You Can Reduce Extra Expense



Normally, good management is the answer. But if the normal routine of business is upset by a fire or another catastrophe that forces you to continue business in temporary quarters, with rented bookkeeping and calculating machines, you'll need Extra Expense insurance. A more detailed explanation of Extra Expense insurance will be mailed you on request.

THE PHOENIX-CONNECTICUT GROUP OF FIRE INSURANCE COMPANIES HARTFORD, CONNECTICUT

Combined Statement December 31, 1947

Assets	\$106,262,644
Liabilities	51,292,949
Surplus to policyholders	54,969,698
Losses paid to December 31, 1947	422,207,611

Formation of a Credit Educational Program In the Public Schools

EDWARD SCHREIBER, Schreiber & Miller Furniture Co., Galveston, Texas
Past President, Retail Credit Executives of Texas

IN OCTOBER, 1948, at a meeting of the credit executives of Galveston, the idea of holding an essay contest on credit in the Galveston public schools, the same as was held in Fort Worth, Texas, was discussed and I was appointed to confer with J. Davis Hill, Superintendent, the Galveston public schools, about the idea of conducting such a campaign in the Galveston high schools. When I brought this matter to Mr. Hill's attention, he said that he did not think an essay contest would bring any results, because these contests, when held, were usually held in one classroom, and the pupils who participate are usually the brightest pupils in the class. Therefore, other pupils take it for granted that the winner will be one of the brighter students anyway, so they do not even take part in such an essay contest. This would narrow the entire study of credit down to about one-half dozen students.

He did say that he thought the study of credit was important for children of high school age; and if I could suggest some other method of interesting students, he would be glad to cooperate.

Subjects of Interest to Students

During our discussion, he told me that the teachers were having a great deal of difficulty in finding subjects to interest the students during the homeroom period, and we both immediately struck upon the idea of teaching the use of consumer credit in these homeroom periods. After discussing the matter with Henry Block, manager of a local department store, we decided to call in the principal of Ball High School, the public high school for white students, the principal of Central High School, the high school for colored students, and the two principals from Lovenberg and Stephen F. Austin, the two junior high schools, to discuss the feasibility of interesting teachers in taking on the extra work of teaching this credit course during the homeroom period. This meeting proved to be successful, in that all of the principals agreed that, if possible, it should be done.

They had no material with which to formulate such a program, so it was agreed that I would contact Plasco G. Moore, Assistant State Supervisor of the State Board of Vocational Education, Austin, Texas, to ask him to come to Galveston to confer with us. Mr. Moore graciously accepted the invitation and within a few days we held this meeting in Galveston. He was enthused over the idea of consumer credit being studied in the public schools and agreed to set up a tentative teaching schedule from which the local principals and teachers could set up a permanent one.

When we received this schedule from Mr. Moore, J. Davis Hill, Superintendent, and J. Woolford McFarland, Principal of Ball High School, and I held a conference, in which we agreed that we would attempt to use these studies in Ball High School first. Mr. McFarland then called in five of the teachers who seemed to be the most interested in this course, discussed the matter with them and had them discuss it with the other teachers to find out if they would be willing to inaugurate such a program. It would mean extra work for them. The teachers were not unanimous in their decision to start this program, however, the majority decided to give it a trial.

The textbook selected was *Using Consumer Credit* published by the Consumer Education Study of the National Association of Secondary School Principals, 1201 16th Street, N.W., Washington 6, D. C.

A committee of teachers then took the tentative schedule of teaching, which Mr. Moore had given us, and the textbook from which they worked up a teaching schedule called, "Use of Retail Credit Manual Entitled *Using Consumer Credit*." It was decided to teach this credit course to the senior students only in their homerooms, which consisted of 27 classes, as follows: 9 classes from February 15 to March 11, 1949; 10 classes from March 14 to April 8; and 8 classes from April 11 to May 6.

On March 1, Elaine M. Matthews, manager, Galveston Merchants Association, spoke to the teachers and explained the operations of a Retail Credit Bureau and briefed them so that they could impart this information to the students. On March 10, the day before the course ended for the first group of students, they were all assembled in one room and Henry Block spoke to them about "The Operations of the Local Credit Office." On March 11, the next day, Mr. Block, Miss Matthews and I met with this same group and held an open forum, in which the students were allowed to ask questions, and we attempted to answer them. This last meeting proved successful and educational.

Open Forum for Students

The second group of students completed their course on Thursday, April 12. On April 11, Mr. Block again had the assignment of discussing the operations of a credit department, and the following day another open forum was held for this group of students. Roy Kierbow, credit manager of a local furniture store, accompanied Mr. Block and Miss Matthews. The first group of students were allotted only 30 minutes, which did not prove sufficient time; the principal agreed that from the second group on, one hour would be allotted for the open forum period. At this forum, about forty questions were asked.

Credit Management's Role in Retailing

L. S. CROWDER, *General Manager-Treasurer, National Retail Credit Association*

CREDIT MANAGEMENT'S role in retailing is of especial interest to me, because for years I have felt that the manager of credit sales has not received the recognition of management to which he is entitled. Realizing this, and the importance of the position of the credit manager, and to remove him from the nonproductive class in the eyes of management, the National Retail Credit Association, at its annual conference in June, 1934, by unanimous resolution urged the adoption of the title "Manager of Credit Sales."

The credit executive of today qualifies under the "Eleven Attributes of a Successful Executive" so ably described by Samuel W. Reyburn, then president of the Associated Merchandising Corporation, New York, in the September, 1934, CREDIT WORLD, which follow: 1. Health, 2. Integrity, 3. Intelligence, 4. Industry, 5. Practical Experience, 6. The Inquiring Mind, 7. Judgment, 8. Aptitude for Teaching, 9. Enthusiasm, 10. Capacity for Following Through, and 11. Ability to marshal and coordinate all his knowledge and talents and the courage to put his decisions into action.

The manager of credit sales occupies one of the most important positions in retailing, because in most of the leading stores credit sales are at least 50 per cent of the store's volume and the figure ranges upward to 80 per cent, depending upon type and location of the business. He is: 1. A builder of good will, 2. A builder of sales, and 3. Custodian of the firm's second-largest asset, and in some cases its largest asset, the Accounts Receivable. He possesses initiative and tact, is alert, energetic, sincere, studious, public relations minded, and a good organizer.

The manager of credit sales should be a member of the operating or executive committee and should be con-

sulted on all sales planning or matters affecting the credit policies and credit activities of the store. He should be responsible for all credit sales promotions and should work closely with the sales or advertising manager in the development of such programs. He should review and approve proofs of all advertisements in which reference is made to credit or credit terms.

Complaints affecting accounts, unless satisfactorily settled by the bureau of adjustments or in the selling department, should be referred to him for disposition. His decision should be final. The manager of credit sales should have complete charge of the credit and collection departments, with supervision over all of the personnel. In turn he should be responsible to top management for the successful operation of the department.

The Building of Sales

The paramount thought of the manager of credit sales should be the building of sales, with reasonable safety of course, at satisfactory operating costs and losses that are not excessive, based on the policy of the store. In this connection I do not agree that losses ranging between $\frac{1}{25}$ of 1 per cent and $\frac{1}{10}$ of 1 per cent indicate the best credit job. I would be inclined to favor the credit executive whose first consideration is sales and building good will, but who may have losses in normal times, of $\frac{1}{4}$ to $\frac{1}{2}$ of 1 per cent of credit sales.

Some of you may have attended the N.R.C.A. conference in Washington, D. C., in June 1932 and will remember the address "Why They're Building a Monument to the Retail Credit Manager," by John Guernsey, General Manager, Controllers' Congress, National Retail Dry Goods Association, and at that time in charge of the Retail Census of the United States Department of Commerce. He was loud in his praises of the work

The teachers of these classes also attend these open forums and the enthusiasm is high. Those teachers who were skeptical of the value of such studies at first have, since the completion of the first course, changed their minds and are now high in their praise of the course. The same enthusiasm exists among our local credit people and we intend, at future forums, to have different representatives from the credit departments. This course is serving a twofold purpose. It is not only teaching the students the importance of the use of consumer credit, but it is also enlightening the teachers and the principals as to the value of credit and of paying their bills promptly.

The Superintendent, J. Davis Hill and J. Woolford McFarland, the Principal of Ball High School, are highly elated over the success of this program and would be willing to confer or correspond with anyone who is interested in learning of the success of this course at Ball High School in Galveston. We are starting this course at Central High, and will have a conference with the principal of Kirwin High School, the Catholic high school for boys in Galveston, to discuss with him the opportunity of enrolling this course in the school.

In my opinion, this complete setup is one of the finest things that has happened to consumer credit. The students who are taking the course are enthused with what it may do for them in the future years and for the help it will give those who intend to take jobs in credit offices when they leave high school. It is my earnest hope that similar courses can be conducted in all of the schools over the nation. Anyone interested in the application of this course may contact me, and I will be glad to assist them in any way.

A committee of our teachers prepared the following outline merely as a suggestion for the use of other teachers in the presentation of these materials:

- UNIT I. Importance of establishing and maintaining credit
- UNIT II. Calculating the cost of credit
- UNIT III. Open account credit
- UNIT IV. Instalment buying
- UNIT V. Borrowing money
- UNIT VI. Agencies offering cash loans
- UNIT VII. Retail credit bureau
- UNIT VIII. Problems of the credit manager

of the credit manager, and referred to the fact that although following the stock market crash in the Fall of 1929, blue chip stocks and bonds depreciated as much as 80 per cent and merchandise 50 per cent, charge accounts on the books of the retailer were collected in the early part of 1930 and produced 99 cents on the dollar, and installment accounts 95 cents. I quote from Mr. Guernsey's address, which I have always considered a well-deserved tribute to the credit fraternity:

"In the past 20 years you have made a science of the job of recognizing Mr. and Mrs. Average American and you have learned how to extend credit to them. You have trusted them and they have justified your trust, until now your trust has grown into faith. It is because of your scientific knowledge of credit and your trained judgment of that most intangible quality, human nature en masse, that you have earned for yourselves the unstinted praise of the retail industry, of the banking fraternity and of the economist.

Retail Credit a Shining Example

"You have put to rout that army of viewers-with-alarm who in 1929 foresaw your early demise. You have made retail credit the shining example of a business asset which has remained at par throughout the most troubled times in recent history.

"You are men and women of great achievement, men and women who have served your country conspicuously in a time of great emergency. That's why they are building a monument to the retail credit manager. Very properly are you rated a success, in a world of failures."

Since that time, seventeen years ago, we have gone through one of the worst depressions in the history of the United States, followed by a second World War, both of which created many problems. Again the manager of credit sales demonstrated his ability by successfully coping with unusual situations, insufficient and inexperienced personnel, and increased operating costs. Credit sales volume was well maintained, considering the scarcity of merchandise, collection percentages were satisfactory, and bad debt losses not out of line.

With the increase in production and the availability of needed merchandise, credit sales, both charge and installment, mounted and increased substantially in the period from December, 1941, through December, 1948. Consumer debt for the same period increased from 9.5 billions to nearly 16 billions of dollars. Charge collections, which averaged 46 per cent in December, 1941, increased to 61 per cent in 1945, and in December, 1948, were 56 per cent of outstandings, or 10 per cent higher than prewar, a record of which we may all be proud.

Captain A. A. Nicholson, Assistant to the President, The Texas Company, New York, at our Banff conference defined the credit executive as follows:

"Out of the 33,000 vocational and professional groups in the United States there is none that played a more important part in our current standards of living or none that is destined to play a more important role in the future progress and prosperity of the nation than the professional credit man. His contribution in the past has been immeasurable, yet this is only a shadow of what will be expected of him in the future. The magnitude of his task is reflected by the fact that under the driving necessity of war in the United States, we

have been able to produce over two hundred billion dollars worth of goods and services within twelve months, and ninety per cent of the transposition of those goods and services still is predicated upon the issue of credit.

"For years I have tried to analyze the professional credit man and invariably I come right back to where I started. He is an outstanding professional executive, possessing some outstanding characteristics. He is an analyst, an economist, and a super salesman. He has the curiosity of a cat and the tenacity of a bulldog. He possesses the friendliness of a little child and the diplomacy of a wayward husband. He reflects the patience of a self-sacrificing wife combined with the enthusiasm of a Sinatra fan. He radiates the assurance of a Harvard man coupled with the good humor of a comedian and personifies the simplicity of a mule injected with the tireless energy of a Fuller Brush man. He is not a necessary evil; he is an absolute adjunct to the structure of business. And by virtue of having pulled himself up by his own professional bootstraps, he is today being recognized as topflight management."

In conclusion, I should like to quote from an address before the National Retail Dry Goods Association in May, 1938, delivered by Major C. H. Strong, President, Wm. Taylor Son & Company, Cleveland. He said, "Today, the entire subject of credit relations is basically woven into the fabric of business prosperity, because sound credit, properly promoted, sensibly encouraged and intelligently controlled, is a powerful business stimulant in the hands of those organizations where a wholesome merchandise operation combines with efficient service standards to win and hold the good will of the customer.

"You are important executives in your stores because in your hands lies much of the responsibility for cordial customer relationships. Yours is an important trust and only as you regard yourselves as ambassadors of good will, as well as guardians of assets, is your true function best recognized and employed.

"There is, and I believe rightfully so, a dignity of purpose attached to the office of credit manager that few positions in our operating pyramid so aptly justify. Yours is the burden of representing not only the store, but the customer as well—yours a trust to wisely administer—a privilege to wisely dispense.

Credit a Dynamic Force in Business Picture

"Credit intelligently conceived, soundly directed and sensibly made available to the largest number of people who warrant it, is a dynamic force in sustaining the business picture as we know it today, a powerful instrument for good when sanely used, but a dangerous weapon in the hands of a novice.

"You, as credit directors of many of America's great department stores, and the credit function you represent, have been the medium of bringing a larger and fuller enjoyment of life, a broader and more comprehensive scale of living, to the great body of American people."

It seems unnecessary for me to tell you what I think of the manager of credit sales. He is, in my opinion, one of the most important executives of any retail establishment, who through the years, sometimes without deserved recognition, has done an outstanding job. He does more to build sales and customer good will than anyone in the organization. In other words, he is "tops" in my language. ★★★

CREDIT DIGNITARIES of the Pacific Northwest and civic leaders and credit executives of Spokane, Washington, nearly 200 of them, gathered on August 22, at a testimonial dinner sponsored by the Spokane Retail Credit Association in honor of Spokane's third president of the National Retail Credit Association, Richard T. Schatz. Toastmaster E. K. Barnes, a past president of N. R. C. A. read a sheaf of congratulatory messages received from all parts of the United States and Canada. J. E. E. Royer, Vice-President and General Manager of the Washington Water Power Co., employers of President Schatz, was the feature speaker, and expressed great pride in him, and appreciation for the honor he had earned.

After relating his progress from his beginning in 1921 as serviceman through his promotion from stock clerk to his present position, he concluded by predicting, "that Dick Schatz will be a leader with a definite plan of action. With his sincere interest in the field of credit, demonstrated by his past performance with his company, he will I am sure, be a credit to your organization."

Lindley S. Crowder, General Manager, N. R. C. A., and also an honored guest, paid tribute to both President Schatz and to the Spokane Association, for the remarkable contribution made to N. R. C. A. and the cause of retail credit. He pointed out that Spokane had now contributed three National Presidents, all of whom were present: Ralph W. Watson, 1925; E. K. Barnes, 1937; and for 1949, Dick Schatz. He expressed great confidence in the future of N. R. C. A. with President Schatz at the helm, tracing his service from the time he was first National Director for District 10.



Our President is Honored

E. DeWitt, Manager, The Seattle Credit Bureau, and Immediate Past President of Associated Credit Bureaus of America, paid tribute to Dick Schatz, as did his pastor, the Very Rev. S. P. Buckley. Civic Leader James A. McCluskey, Vice-President and Managing Director of the Davenport Hotel where the N. R. C. A. was founded in 1912, spoke of his work in civic affairs, including his outstanding per-

formances when Chairman of the Community Chest and Red Cross drives. President J. H. Fisher, Portland, Oregon, then presented him with a certificate of the inauguration of the first new National Unit organized during his term of office, Roseberg, Ore., with 48 N. R. C. A. members.

In response to the toasts, Mr. Schatz expressed his sincere appreciation of the honor bestowed upon him and the messages of good will and confidence received. He admitted to a feeling of great humility, and expressed the confidence he felt that all of his friends would do their utmost to

help him make good. He urged that each and every credit man and woman do his part in cooperating to make this year an outstanding one in the history of N. R. C. A., not only for the general good of retail credit, but for the betterment of the nation and of the credit granter and the consumer public.

Shown in the picture below at the head table, from left to right, are: Ralph W. Watson, The Very Reverend S. P. Buckley, Pastor, St. Augustine Catholic Church; James A. McCluskey; Mrs. R. T. Schatz; R. T. Schatz; E. K. Barnes; L. S. Crowder; J. E. E. Royer; E. DeWitt; J. H. Fisher, Meier and Frank Co., Portland, Oregon; and E. W. Rongren, M. M. Jewelers, President, Spokane Retail Credit Association.



LOCAL ASSOCIATION *Activities*



Port Angeles, Washington

At the organizational meeting of the Retail Credit Association of Port Angeles, Washington, the following officers were elected: G. Palmer Swenson, Samuelson Motor Company; Vice-President, Roy S. Jensen, First National Bank; and Secretary-Treasurer, Antonia Polzin, Clallam Credit Bureau. Directors: Lloyd McGlenn, McGlenn's Grocery; Joe Hoare, Peninsula Fuel Co.; Lewis Filion, Filion Jewelers; Ralph Payton, Nailor Lumber Co.; Lyle Watson, Port Angeles Motors; John Nicholson, Nicholson's Ladies Apparel; and Fred Beale, Kaufman Miller Furniture Co.

Jacksonville, Florida

At the recent election of the Retail Credit Men's Association of Jacksonville, Fla., the following officers and directors were elected: President, Charles L. Wells, Charles L. Wells, Jewelers; Vice-President, Charles E. Moorman, The Credit Bureau; and Secretary-Treasurer, H. C. Sedding, Rhodes. Directors: H. C. Hendrix, Cohen Bros.; Joseph H. Riggs, Florida National Bank; M. G. Phillips, Furchgott's; E. L. Witt, Purcell's; W. F. Koch, Florida Tent and Awning Co.; Rudy Moss, Young Men's Shop; E. W. Rogers, Mather Furniture Co.; and A. O. Jenkins, Duval Jewelry Co.

Seattle, Washington

At the annual meeting of the Retail Credit Men's Association, Seattle, Wash., the following officers and directors were elected: President, Vernon Rasmussen, Evergreen Cemetery Co.; Vice-President, Harold Schrupp, Standard Service Tire Co.; Secretary, Mrs. Zeta Pierson, MacDougall-Southwick; and Treasurer, Joseph E. Toneri, Peoples National Bank of Washington. Directors: Lyman Buzard, Frederick & Nelson; Richard Aronson, Aronson Hardware Co.; George Marshall, National Bank of Commerce; Frank W. Price, Jean Hall; and Harold R. Chesney, General Petroleum Co.

Savannah, Georgia

The Associated Retail Credit Managers of Savannah, Savannah, Ga., installed the following officers and directors at their annual meeting: President, Henry P. Rabey, Savannah Gas Co.; Vice-President, Clarence Williams, Savannah Planning Mill; Secretary, M. B. Weldon, Merchants Credit Association; and Treasurer, C. B. Gnann, Moris Levy's. Directors: J. D. Risher; Mrs. Mary Roper; and Esther Belsinger.

Temple, Texas

At the annual business meeting held in July, the Retail Credit Executives of Temple, Temple, Texas, elected the following officers: President, John Sammons, Temple Hardware Co.; Vice-President, Harry Blint,

Blint & Goodman Grocery; and Secretary-Treasurer, Mrs. Clare D. Maze, Retail Merchants Association. Directors: Mrs. Aline Mitchell, Roddy's Ready-to-Wear; Mrs. Lee Anderson, Peters & Eldredge Service Station; and Reuben Talasek, Security Finance Co.

Buffalo, New York

The Retail Credit Association of Buffalo, Buffalo, New York, has elected the following officers and directors for the 1949-50 term: President, William A. Foote, The Texas Co.; First Vice-President, Frederick E. Hardy, Hens & Kelly; Second Vice-President, Emily Mospaw, E. W. Edwards & Son; Treasurer, Edwin Hartung, Kobler & Miller; and Secretary, Charles H. Ott, Sattler's. Directors: Harold P. Hatch, Frontier Oil Refining Co.; Walter O. Simpson, Sears, Roebuck & Co.; Ashford G. P. Murch, Manufacturers & Traders Trust Co.; and Edgar Harris, Alliance Mercantile Agency.

Watertown, New York

Elected as officers and directors for 1949-50 of the Watertown Retail Credit Association, Watertown, N. Y., were: President, A. L. Altschaeffl, Central N. Y. Power Corp.; Vice-President, Harry Hanes, Sears, Roebuck & Co.; Secretary, Mrs. Joyce Williams, Thomas H. Bradley; and Treasurer, William Wilson, F. A. Empsall Co. Directors: James Bonner, Central Service Bureau; and Reginald Gray, Northern New York Trust Co.

Roseburg, Oregon

The Retail Credit Association of Douglas County, Roseburg, Ore., elected the following officers for the coming year: President, R. D. Rennie, Interstate Tractor Co.; Vice-President, W. H. Gerretsen, Denn-Gerretsen Co.; Secretary, F. G. Stewart, Douglas Credit Bureau; and Chairman of the Board, Fred B. Lockwood, Lockwood Motor Co.

District Ten at Seattle

The following officers and directors were elected at the meeting of District Ten, held at Seattle, Washington: President, J. H. Fisher, Meier & Frank Co., Portland, Ore.; Vice-President, Jack Pengelly, C. E. Carlson, Spokane, Wash.; and Secretary-Treasurer, Avadana Cochran, Credit Bureau of Kitsap County, Bremerton, Wash. Directors: Phil Schroeder, Phil Schroeder, Inc., Tacoma, Wash.; L. E. Stairrett, Washington Water Power Co., Lewiston, Idaho; Arthur Lynn, First National Bank of Portland, Portland, Ore.; Earl Blomquist, Union Oil Co., Great Falls, Mont.; Charlton Smith, National Motors, Victoria, B. C.; Donald Farr, Farr & Elwood, Coquille, Ore.; Lyman Buzard, Frederick & Nelson, Seattle, Wash.; and Harold Bell, Bell & Mitchell, Vancouver, B. C.



Solicitation of Charge Accounts

F. Wm. Johnson, *Credit Manager, Neiman-Marcus Company, Dallas, Texas*
Third Vice President, National Retail Credit Association

"Customers go where they are invited, and stay where they are well-treated," has long been an old axiom of retailing. While every credit manager realizes the importance of the last phase of that axiom, and does everything within his power to see that his customers are treated well, I wonder how many of us realize the great importance of the first phrase, "Customers go where they are invited."

Sometime ago at a social gathering, I met a young matron who had lived in Dallas for five years, and during a discussion of Neiman-Marcus, I asked her if she had a charge account with us. She said, "Oh, no, I'd be afraid to come into your store. You only have things for the rich!" I explained to her that some 80 per cent of our clientele was made up of everyday folks such as the average Mr. and Mrs. Public, and the average businesswoman. I opened an account for her, invited her into the store, and introduced her to some of our selling personnel, and she has made a loyal, consistent customer.

The fact that this woman had lived in Dallas several years, and had never been in our store, made me wonder how many other women in our city were purchasing elsewhere because of a feeling that we were "only for the rich"; so I decided to invite as many as possible of them to open charge accounts and visit in our store. How would I send the invitation?

I knew, of course, that the kind of invitation I liked best to receive was a personal invitation, a warm, friendly, face-to-face invitation. Next to that, I liked best an invitation by telephone, where some friend will call you, and you can hear his voice inviting you to his home. And next, of course, I liked to receive a written invitation.

Door-to-Door Solicitation

Wishing to experiment with the first type of invitation, I contracted with a public relations firm to open 1,000 charge accounts for us by personally calling on the prospects from door to door. It is true that I entered into this contract with some misgivings. I realized the stigma usually attached to door-to-door solicitation would have to be overcome by the friendliness of the person making the calls. We were fortunate to have working for us a young woman who had all the qualifications, including a genuine interest in people. In opening these 1,000 accounts, we received not one complaint on the method of the approach.

From the first day, we found there were many women who fell into the category of the woman I met at the social gathering. There were women who wanted to shop at Neiman-Marcus, and women who had many questions to ask about the store. There were women

who were delighted to have the opportunity to discuss the store in the informal, private atmosphere of their homes.

We knew, of course, that it would be impossible to reach all of the people we wished to reach by this personal invitation method. We enlarged this by the use of letters to selective mailing lists. We tried to keep our letters friendly and informative, and we put a special importance on fitting the letter to the group solicited. For instance, if we were soliciting a group where price was particularly important, we played up strongly how easy it was to dress well on a limited budget.

We followed two fundamental principles of direct mail. First, we wrote the copy to show what we could do for the prospect; second, we made it easy for the prospect to reply. And, most important of all, we followed a system planned every month in the year, of inviting people to shop with us. The results have been far beyond our expectations. People like to be invited, and they prove it by accepting the invitation.

Following Up Accounts

After the new accounts have been opened, it is important that they be followed each month for a period of six months, urging the use of their account. Here, your approach should be both institutional and specific, some of your letters selling your store, and others selling specific merchandise.

Finally, know what your new accounts are worth to you. Not knowing the value to your firm of the new accounts you solicit is almost as bad as not knowing your daily sales. Statistical information should be kept, so that you can point out to management the dollar value of new accounts which you have solicited.

For many years the credit department has been thought of by management as a service department, with nothing to sell except service. But the credit department *can* sell things besides service. It can sell neckties, and washing machines, and dresses, and coats and suits, and furs, and shoes. It can sell all of these things through the solicitation of charge accounts, and prove the sales. The credit department can say to management, "Here are 1,000 accounts that would not be shopping in the store, had we not invited them. These 1,000 accounts bought \$100,000.00 worth of shoes, bags and dresses, and other items, during the past year. The credit department has sold \$100,000.00 worth of merchandise."

Only through the solicitation of charge accounts and the working of inactive accounts can the credit department move out of the sphere of a service department, into the valuable field of dollar sales, the two words which are so close to the heart of retail management. **

CREDIT FLASHES

25th Anniversary at New Orleans

On the evening of August 16, the Retail Credit Association of New Orleans, observed its 25th Anniversary with a dinner party in La Louisiane, in the heart of the Vieux Carre of New Orleans, La.

The observation of the event was handled uniquely by having each Past President (by previous arrangement) give a brief outline of his year through the medium of a wire recording, amplified, so that the entire story of the 25 years of the Association was related. Only one voice was missing, that of Past President Max Frankel, deceased.

The Past Presidents so honored included Lorenzo B. Elliott, first President, Leon Lichtenstein, James A. Smith, A. L. Tassin, Joseph D. Henderson, William J. Fischer, Sam Mayor, A. E. Maurin, Edward J. Dobard, Warren G. Finnan, Hubert Fielder, Stanley W. Kemp, Joseph H. Bergeron, Ernest E. Dellucky, George J. Springer, Ellis J. Petrich, Kaa F. Blue, Carlos A. Casler, Armand J. Rodehorst, Edward S. Burke, Gerald E. Tell, A. C. Artigues, and Charles D. Bornwasser, Junior Past President.

William J. Drummy of the New Orleans Retailers' Credit Bureau, made all of the recordings, edited them and handled the amplification. Ernest E. Dellucky, President of the New Orleans Retailers' Credit Bureau, was the speaker of the evening, and from the Bureau were Harris Copenhaver, Manager, Fred J. Finnan, and Frank DeSilva.

Other Bureau officers and board members invited included Walter P. Adler, E. A. Amar, E. F. Arbour, Lester Barnett, Leon E. Ber, S. J. Besthoff, Leo Heymann, A. S. Kreeger, H. G. Meador, B. C. Moise, and R. M. Salvant.

Emile J. Flautt, President of the Retail Credit Association of New Orleans, introduced his fellow officers and board members including P. N. Gravois, Jr., Duke D. Dalferes, Jr., John E. Zimmerman, William J. Anderson, Ola Fayard, Thomas C. Fischer, A. Konrad Lagarde, Roland Ruiz, Vernon E. Svendsen, and A. J. Franz. Many of the foregoing carry membership on the Boards of both the Bureau and the Association.

A. J. Franz led in some "community singing," and each Past President was presented with some comical gift in keeping with his occupation, hobby or avocation. Group photographs of the Past Presidents were presented to most of the guests.

The recording will again be presented at a joint meeting of the Association and the Credit Women's Breakfast Club.

E. T. Gamage New Legion Commander

Everett T. Gamage, owner and manager of the Credit Bureau of Santa Paula, Santa Paula, California, for the past twenty-two years, was elected Commander of the 16th District of the American Legion, Department of California, and was installed in office at the California Department Convention in Long Beach, California,

August 17, 1949. Mr. Gamage, a veteran of World War II, served his local Post as Commander in 1946, and was the first World War II Commander of Ventura County Council, American Legion, in 1947. He is now the first World War II man to head the organization in Ventura, Santa Barbara and San Luis Obispo Counties, which has a membership of five thousand men and women who served in the U. S. armed forces. Mr. Gamage is also active in civic and fraternal affairs in his community. He is a past director on the state board of the Associated Credit Bureaus of California.

New Officers for Robert Morris Associates

Robert Morris Associates, the national association of bank credit men and lending officers, elected the following officers at their annual meeting in Philadelphia, Pa., for 1949-50: President, Milton J. Drake, Vice-President, The Detroit Bank, Detroit, Mich.; First Vice-President, Fred C. Witte, Vice-President, The Chase National Bank, New York, N. Y.; and Second Vice-President, B. F. Barnett, President, Commercial National Bank, Shreveport, La. Directors include: Arthur F. Boettcher, Vice-President, The Boatmen's National Bank, St. Louis, Mo.; Gordon Murray, Vice-President, First National Bank, Minneapolis, Minn.; Robert S. Pringle, Vice-President, Fulton National Bank, Atlanta, Ga.; Paul R. Vervoort, Assistant Vice-President, Commercial National Bank & Trust Company, New York, N. Y.; Edward F. Gee, Vice-President, State-Planters Bank & Trust Company, Richmond, Va.; Carl I. Johnson, Second Vice-President, Continental Illinois National Bank & Trust Company, Chicago, Ill.; Robert J. Crossley, Vice-President, The First National Bank, Chicago, Ill.; Clifford W. Harpst, Vice-President, McDowell National Bank, Sharon, Pa.; T. W. Johnson, Vice-President, Security-First National Bank, Los Angeles, Calif.; Roy W. Lawson, Vice-President, Rockland-Atlas National Bank, Boston, Mass.; and E. Lawrence Worstall, Vice-President, The Philadelphia National Bank, Philadelphia, Pa.

Edgerton With Reno Credit Bureau

S. E. Edgerton is now associated with Dwight P. Gibson in the operation of the Reno Credit Bureau, Reno, Nevada. Mr. Edgerton retired in 1947 as General Credit Manager, The Broadway Department Store, Los Angeles, Calif., after 33 years of service.

New Honors For Karl G. Slocomb

Karl G. Slocomb, Black & Armstrong, Winnipeg, Manitoba, Canada, was elected to the executive council of the Board of Directors, Lion's International at their recent convention held in New York. During 1948-49, he was President of District Six, N. R. C. A., and was a member of the Credit Clinic Panel at our Boston Conference, reported on pages 4-7 of this issue of The CREDIT WORLD.

Wanted to Buy

Credit Bureau with collection department. Prefer West Coast. Box 1091, The CREDIT WORLD.

National Membership Activities

Roll of Honor

Here is the roll of new National Units which have been organized since June 1, 1949:

	Members
Arkadelphia, Arkansas	35
Orlando, Florida	16
Belen, New Mexico	10
Lebanon, Oregon	22
Roseburg, Oregon	45
Odessa, Texas	24

Membership Chairman, Harry E. Jones, Old National Bank, Spokane, Washington, hopes to complete his membership committee by the end of October.

Membership Prizes, 1949-50

Prizes of \$100.00 each are to be awarded to the following chairmen reporting the largest number of new members:

Local Chairman—100 members minimum.

State Chairman—200 members minimum.

District Chairman—500 members minimum.

Only one chairman in each group is to receive an award and it will be based on the greatest number of members reported. In addition, the first credit bureau manager reporting 100 per cent National affiliation (all members), provided the minimum is 100 members, will receive \$100.00 in cash.

Pen and pencil sets will be awarded to:

1—The president of the National unit making the greatest percentage gain in membership.

2—The secretary of the National unit making the greatest gain in membership.

3—The credit manager for outstanding membership work.

4—The bureau manager for outstanding membership work.

Gavels, properly inscribed, will be given to Credit Associations as outlined below organized between June 1, 1949, and May 25, 1950, as follows:

1—First National Unit organized during the fiscal year.

2—Unit making the greatest percentage gain.

3—Local Associations in cities up to 50,000 population organizing a National Unit of 25 or more members.

4—Local Associations in cities up to 100,000 population organizing a National Unit of 50 or more members.

5—Local Associations in cities of 100,000 to 250,000 population organizing a National Unit of 75 or more members.

6—Local Associations in cities of over 250,000 population organizing a National Unit of 100 or more members.

Position Wanted

Veteran with three years of college education and over three years of credit experience desires position in credit department of stable firm with a future. Will consider any business. Age 24 and married. Will work hard and be dependable. References. Box 1092, The CREDIT WORLD.



Operating Results of Department and Specialty Stores in 1948 (Malcomb P. McNair, Professor of Marketing, Harvard University, Graduate School of Business Administration, Boston 63, Mass., Bulletin No. 130, 61 pages, \$4.00). This bulletin presents typical figures for the operating expenses, margins, and profits of department stores and specialty stores in 1948 and is the 29th consecutive year for these studies. There is a comparison which is new this year, a breakdown between members and nonmembers of department store ownership groups. Most of the text is given to the review and evaluation of changes in the department store picture over the last several years. An analysis of the results of Life and an examination of the balance sheet changes over recent years receive particular attention. This year's study, coming at the termination of the post-war boom, also marks the completion of a significant cycle begun in 1920 with its inflationary post-war boom.

Operating Results of Limited Price Variety Stores in 1948 (Bulletin No. 131, Harvard University Graduate School of Business Administration, Boston 63, Mass., 48 pages, \$2.00). This report on the operating results of the variety store business in 1948 is concerned with the analysis of sales, margins, expenses, and profits in both limited price variety chains and independent variety stores. The presentation has been arranged differently in several respects from that which has characterized the preceding bulletins in this series. Greater use has been made of charts to enable comparisons to be grasped quickly. Since these annual data, particularly the relative performance of the several volume groups, are broadly similar to those for previous years, there is a minimum of textual interpretation. Most of the discussion is given to the review and appraisal of changes in the variety chain situation over the last several years, with particular attention given to the movement of sales both in total and by merchandise lines.

Your Career (Ed Cunningham and Leonard Reed, Simon and Schuster, 1230 6th Ave., New York 20, N. Y., 72 pages, \$1.00). This book presents actual facts about the 84 leading professions with an impartial appraisal of each. There is a self analysis proceeding a thorough guide to aptitudes, which in turn lists the types of vocations most suitable to the individual. This is followed by detailed information regarding each profession. Data includes number employed in particular field, future of the field and where employees are needed. Educational, licensing, and personal needs of prospective employee are covered. Description of what the job consists of and salary expectations follow, with suggested literature to be read in its connection and schools to be contacted. Finally, it contains an outline of the duties and advantages, as well as disadvantages, of each profession.

Credit Department Letters

W. H. BUTTERFIELD

PUBLIC RELATIONS is not just the art of
Putting a message across;
Public Relations is something you're part of
Either for profit or loss.
You, in your job, are the firm's emissary,
All that you say and you do
Counts—plus or minus—with Tom, Dick and Harry,
Public Relations is—YOU!

Millions that go into winning the people's
Confidence, friendship, good will,
You can knock higher than several steeples
If you're a grouch and a pill.
You put the blessing, or you put the curse on all
Planning and policy too;
Public Relations is private and personal,
Public Relations is YOU!

It is by you that the customer judges;
You give the public its slant.
You're the promoter of grins or of grudges,
It's the impression you plant
That'll decide if the firm's reputation is
Proved by performance, all through;
Public Relations is private relations,
Public Relations is YOU!

These verses by Berton Braley appeared originally in *Service*, a publication of the Cities Service Company. They show a real understanding of the human element in public relations.

In modern retailing the credit department is constantly engaged in the important business of public relations. No other department has so many opportunities to build consumer good will. And many of the best opportunities can be utilized only by persons able to write good letters.

Realizing these facts, several progressive firms have established training courses or prepared correspondence manuals for their credit department personnel. Others have adopted the letter-improvement program sponsored by the National Office Management Association.*

In recommending a *Simplified Letter* as a "highroad to more forceful and efficient correspondence," NOMA offers some excellent suggestions for dictating. Among them are the following:

Give extra care to wording the opening sentence. It's your introduction to the reader. Make the start of every letter different.

Omit those "form-letter" clichés. Study a handful of letters from your file. Find the stock phrases. Banish them.

Try for simplicity in words and phrases.

Develop a straightforward and coherent thought flow.

Strive for a naturalness of tone and approach reflecting your own personality—don't be colorless.

Create a warm and friendly letter atmosphere. Veer away from rigid formality or disrespectful cuteness.

Be careful with your closing sentence. Its echo lasts.

These suggestions deserve the attention of all credit correspondents. They are worth thinking about—and following!

This Month's Illustrations

Although this month's examples cover a variety of situations, the four specimens have in common the quality of brevity. Their average length is 52 words. Yet each message is clear, courteous, and complete.

Illustration No. 1, used by the A. D. McQuilkin Co., Fort Dodge, Iowa, and signed by Ray W. Johnson, Credit Manager, is a timely "thank-you" letter following up an unusually large purchase by a customer. The message demonstrates alertness in consumer relations by mail. In expressing thanks for patronage, it also includes a subtle promotional element (paragraph 3) designed to keep the customer "sold" on the store and its merchandise. The reader is favorably impressed not only by the firm's courtesy, but by its continuing interest in serving him well.

Illustration No. 2, used by Hotel Jefferson, St. Louis, Missouri, and signed by Carl E. Roessler, Manager, extends credit facilities to a patron of the hotel. The letter explains the convenience of a Credit Courtesy Card in a manner that emphasizes service to the customer. The friendly, cordial tone of the message makes it an excellent good-will builder.

Illustration No. 3, used by Van Winkle's, Ponca City, Oklahoma, and signed by R. E. Eastwood, Credit Manager, thanks a charge customer for the frequent use of his account. The letter is direct and concise (51 words). It builds good will and encourages the continued use of the account.

Illustration No. 4, used by C. J. Klein, Credit Sales Manager, Sonnenfeld's, St. Louis, Missouri, welcomes the return of a charge patron after a period of inactivity. Such a courtesy is sure to make a favorable impression on the customer, and particularly so if it has been preceded by a number of "inactive account" letters inviting renewed use of the account. The message is brief and in good taste. It covers the situation fully; yet it avoids the fault of effusiveness so common in good-will letters to consumers. ★★★

*12 East Chelton Ave., Philadelphia 44, Pa.

A.D.M. Quilkin Co.
FORT DODGE, IOWA

September 15, 1949

(1)

Mr. Robert A. Barney
715 Nebraska Avenue
Fort Dodge, Iowa

Dear Mr. Barney:

This is just a note to say "Thank you."

Your recent purchase of furniture at Quilkin's is sincerely appreciated. It was a real pleasure to serve you.

We feel sure you will receive a lot of satisfaction from your purchase, and that you will always find this the store of quality furniture, good service, and courtesy.

Please come in often, and let us know of any way in which Quilkin's service can be made more complete.

Sincerely yours,

Ray W. Johnson
Ray W. Johnson
Credit Manager

QUALITY FURNITURE SINCE 1902



September 5, 1949

(2)

Mr. John F. Chakera
144 Keystone Avenue
Erie, Pennsylvania

Dear Mr. Chakera:

It's a pleasure to send you the enclosed Credit Courtesy Card for your greater convenience in making use of Hotel Jefferson's facilities.

This card entitles you to cash checks promptly and to charge all hotel services to your account.

We hope you will soon have occasion to use your Credit Courtesy Card, and that it will add to the enjoyment of your visits here.

Cordially yours,

Carl E. Roessler
Carl E. Roessler
Manager

ccr:ab

SEN EASTWOOD

MRS. MAXINE E. VANWINKLE

F. MORRIS TREAT, JR.

SONNENFELD'S

410-18 WASHINGTON AVENUE, ST. LOUIS 1, MO. • TELEPHONE, CENTRAL 8338

fashion specialty shop of St. Louis

September 5, 1949

(4)

Mrs. Albert Gordon
1538 Parkman Avenue
Stelster Groves, Mo.

Dear Mrs. Gordon:

Thank you for the renewal of your charge account, as evidenced by your recent purchase. We sincerely appreciate the opportunity to serve you again.

Your frequent visits to the store will be most welcome, and we hope you will enjoy the convenience of your account often.

Cordially yours,

SONNENFELD'S, INC.

E. E. Eastwood
E. E. Eastwood
Credit Sales Manager

van winkle's
MEN'S WEAR
PONCA CITY, OKLAHOMA

September 15, 1949

(3)

Mr. Arnold C. Perry
1534 Tulsa Boulevard
Ponca City, Oklahoma

Dear Mr. Perry:

Since the opening of your Van Winkle charge account a few months ago, you have made frequent use of it.

This is just a note to thank you for your patronage and for your confidence in us. Serving you is a real pleasure, and we appreciate each opportunity to do so.

Sincerely yours,

E. E. Eastwood
E. E. Eastwood
Credit Manager

rec:1



Items of Interest From the NATION'S CAPITAL

HAROLD L. SCHILZ, Counsel, National Retail Credit Association, Washington, D.C.

Credit Terms for Automobiles

Beginning September 15, 1949, the Federal Trade Commission took under consideration practices of the automobile industry, particularly affecting dealers, which are allied to the matter of extension of credit terms for automobiles. The organizations represented at the Trade Practice Conference of the Commission on this matter consist of the following, among others: National Automobile Dealers' Association, National Used Car Dealers' Association, American Finance Conference, American Bankers' Association, General Motors Acceptance Corporation, Commercial Credit Corporation, Universal C. I. T. Credit Corporations, Better Business Bureaus and American Automobile Association.

The conference will attempt to eventually come up with rules and practices acceptable to government and industry concerning the subject of the "automobile pack" and related practices, which the trade practice conference proposals describe as "prevention of deception of purchasers of motor vehicles through concealment of fictitious charges in the cost to the buyer."

One of the proposals is that "no false, misleading, or deceptive statements or representations through advertising or otherwise shall be made concerning insurance rates and coverage, rates of finance charges, or plans respecting methods of financing, finance charges, endorsements, re-purchase agreements, or transfers of installment sales contracts or any other matter concerning the foregoing" shall be used in connection with the purchase, sale or distribution of motor vehicles. The subject of dealer participation and reserves has also come in for discussion. Another proposal sets forth in detail the type of information concerning cash and credit terms, and trade-in allowance, which is to be furnished to buyers by sellers *in writing* at the time of or *before* the execution of a contract of sale embracing installment terms.

To the writer, the calling of this conference seems to be another indicator of the changing times from the frenzy of the war years and another example that the forces of supply and demand are now weighing over on the side of the consumer, causing governmental agencies to intently listen to and consider consumer complaints even where not thoroughly substantiated.

Federal Government Deficit

The daily press carries stories to the effect that the Governmental deficit of the Federal government has since July 1, 1949, continued at the rate of \$330,478,000 *per week*, for a grand total of \$3,304,000,000. It is predicted that this will intensify the efforts of the so-

called "economy group" in the House of Representatives and the Senate. Even the liberal and so-called "progressive" press of the country is beginning to editorially and otherwise criticize and take issue with this mounting figure. In this connection you will recall the strong Resolution which our Association passed at its conference in Boston, on June 24, 1949, calling upon the Federal and State governments to practice the strictest economies in their operations.

WHEREAS, the National Retail Credit Association is comprised of a membership of over 25,000 representing all types of retail business, and

WHEREAS, such membership is largely composed of the credit executives of such retail establishments who are in constant touch with the economic situation of this country, and

WHEREAS, it has been noted that the President's budget estimates have predicted a national deficit for the Federal Government of \$800,000,000 for the year 1949, and continuing deficits predicted for the years 1950 and 1951, and

WHEREAS, it is the considered opinion of the members of this Association that this country is passing through a period of extremely sensitive economic uncertainty, with unemployment gradually increasing and that any demoralization and weakening of the fiscal and economic stability of this country might create a grave impact upon its private enterprise system, and

WHEREAS, it has been noted that programs have been presented to the legislative bodies of the Federal and State governments which would cause tremendous expansion of Federal and State expenditures, and that there is a generally prevalent tendency in that direction in both Federal and State governments, and

WHEREAS, the investigations of the Hoover Commission have noted excessive overlappings of expenditures in the Federal governmental system,

THEREFORE, BE IT RESOLVED, that the National Retail Credit Association in convention assembled, does hereby petition the President and the Congress of the United States and the Governors and Legislators of the States of the United States, to practice and advocate the strictest economy in governmental operations; to demand the greatest efficiency and competency in the expenditure of Federal and State funds; and to take all steps possible to reduce expenditures on projects, programs and policies of such governments already authorized. It is the opinion of the membership of this Association that all steps taken to guarantee the financial soundness of the Federal and State governments will secure the system of private free enterprise and our representative forms of government. ★★★

Credit and Collection Procedure

Cost and Inventory Card System

BELOW IS a sample of cost and inventory cards filled in to show the manner in which they are used in the index file and the purpose which they serve. These cards were made up to give a lot of information in a small space, and are now being used by Smerda's Furniture and Music House, Cleveland, Ohio. John J. Benisek, Vice-President of the company, originated this system. It should help other members in such matters as merchandise control, costs, depreciation, taxes, etc.

The small numbers in parentheses are used to explain each procedure:

1. Enter manufacturer's or jobber's part number, also description, finish and color of merchandise.

2. Each manufacturer or jobber should be identified by number. For instance, all jobbers with names starting with the letter "A" would carry code numbers in the 100 Series, those with the letter "B" numbers in the 200 Series, letter "C" 300 Series, etc. When merchandise is received, it is marked with black crayon in some inconspicuous place with the code number and manufacturer's or jobber's number, such as 300/715. If the price tag is lost at any time, a glance at the number will immediately identify the source and part number, and a new price tag can be made up from the information shown on the inventory control card.

3. On the first line of "Remarks," the date of order when it was placed can be inserted as shown. Copy of the order is then placed in purchase order file for future reference with all correspondence pertaining to the order attached thereto.

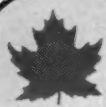
3A. Depreciation information is entered under this heading also. Whenever a depreciated cost expires, a line is drawn through last date shown and new date inserted. The depreciation information is always entered in red.

4. Enter date the merchandise was received.
5. Enter from invoice the cost of the merchandise.
6. Enter freight charges incurred.
7. Cost plus freight is entered to show the total cost of the merchandise.
8. Under "Selling Price," enter the price for which the merchandise is to be sold.
9. When merchandise is sold, entry can be made from the sales sheet showing the date, name of customer and price of merchandise for which it was sold.

When merchandise has been on hand for some time, it should be depreciated on the cost card and a new selling price shown (see example entry 3A, depreciating cost to \$18.00). If merchandise is on hand, it should be depreciated on cost card to allow merchandise manager to reduce selling price on sales tag accordingly. This method of depreciation will always give a more accurate value of inventory on hand. Cards kept up to date can furnish the management with inventory balances at the end of each month without taking a physical count. A savings of taxes can be made in computing income taxes and personal property taxes when inventories are kept at cost or market, whichever is lower. This method gives a complete history of all merchandise bought and sold, and can be valuable to all departments if accurately kept.

A review of the entries indicates that the merchandise was ordered November 1, 1948, and received January 2, 1949. One piece was sold for full markup January 15, 1949. On March 1, the cost was depreciated to \$18.00 and a selling price of \$36.00 affixed. One piece was sold March 15, 1949, and on June 1, 1949, the balance was depreciated to \$15.00 and the selling price changed to \$30.00.—John J. Benisek, Vice-President, Smerda's Furniture & Music House, Cleveland, Ohio.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Code	Part No.	Description	Manufacturer	Jobber	Order Date	Received Date	Cost	Freight	Total Cost	Depreciated Cost	Selling Price	Balance	Customer	Date Sold	Price	Balance	Remarks	Notes	
300	715	THREE - CHAIR	WILSON		11-1-48	1-2-49	20.00	0.00	20.00	20.00	36.00	16.00							
300	715	THREE - CHAIR	WILSON		11-1-48	1-2-49	20.00	0.00	20.00	20.00	36.00	16.00							
300	715	THREE - CHAIR	WILSON		11-1-48	1-2-49	20.00	0.00	20.00	20.00	36.00	16.00							
300	715	THREE - CHAIR	WILSON		11-1-48	1-2-49	20.00	0.00	20.00	20.00	36.00	16.00							
300	715	THREE - CHAIR	WILSON		11-1-48	1-2-49	20.00	0.00	20.00	20.00	36.00	16.00							
300	715	THREE - CHAIR	WILSON		11-1-48	1-2-49	20.00	0.00	20.00	20.00	36.00	16.00							
300	715	THREE - CHAIR	WILSON		11-1-48	1-2-49	20.00	0.00	20.00	20.00	36.00	16.00							
300	715	THREE - CHAIR	WILSON		11-1-48	1-2-49	20.00	0.00	20.00	20.00	36.00	16.00							
300	715	THREE - CHAIR	WILSON		11-1-48	1-2-49	20.00	0.00	20.00	20.00	36.00	16.00							
300	715	THREE - CHAIR	WILSON		11-1-48	1-2-49	20.00	0.00	20.00	20.00	36.00	16.00							
300	715	THREE - CHAIR	WILSON		11-1-48	1-2-49	20.00	0.00	20.00	20.00	36.00	16.00							
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300	715	THREE - CHAIR	WILSON		11-1-48	1-2-49	20.00	0.00	20.00	20.00									



Granting Credit in Canada



C. B. FLEMINGTON . . Canadian Correspondent

A Chain of Service From Sea to Sea

C. B. FLEMINGTON, *Manager, Credit Bureau of Toronto, Toronto, Ontario, Canada*

IT IS INDEED gratifying to know that our Boards of Trade and Chambers of Commerce across Canada have evidenced an interest in credit bureau operations. The interest shown is, we trust, the result of our insistence on a high standard of business ethics based on our desire to render a prompt and efficient service, and our constant endeavor to promote the welfare of consumer credit extension in all its phases. The function of the credit bureau may be summed up in a few words, "Cooperation for Credit Protection."

This need for cooperation was first recognized in England in 1803 when the Mutual Communication Society of London was formed. This is reported to be the oldest credit organization in the world and is still in operation, having completed nearly a century and a half of continuous service. It was not until 1869 that a similar bureau was formed on this continent in Brooklyn, N. Y., followed by one in New York City in 1872, and Baltimore, Maryland, in 1882. These formed the vanguard of approximately fifty others which were organized prior to the year 1900. From then on the idea grew rapidly with the result that there are now nearly 1800 in Canada and the United States.

Ownership in Earlier Days

In the earlier days most of the agencies were privately owned and independent in operation with no definite medium of cooperation among themselves. The need for concerted action was felt, however, and in 1906 a number of these offices became affiliated through the formation of the National Association of Mercantile Agencies, and in 1912 another group came into being known as the Retail Credit Men's National Association.

The year 1921 witnessed the amalgamation of these two fraternities into what was known as the National Retail Credit Association. This is still the parent body of all consumer credit activities in the United States, and also numbered among its members are the majority of the Canadian bureaus.

The formation of the credit bureaus in Canada, chiefly in the larger centres, followed the pattern of that in the United States, and in 1927 those in operation in Eastern Canada were unified in thought and action through the inception of the Associated Credit Bureaus of Ontario and Quebec. With the idea of increasing its scope, this name was later changed to the Associated Credit Bureaus of Canada in 1937, and incorporation was effected under Dominion charter in 1939 as a mutual, non-profit organization.

The value of an association of this description is mainly the medium it affords for rendering a country-wide service. Past performance is usually a criterion of what may be expected in the future. Let us suppose that a person from Vancouver, moves to Montreal where

he applies for credit. The merchant, when taking his application, ascertains his previous street address in Vancouver, and the credit bureau in Montreal within a few hours, if necessary, may obtain complete information as to his past credit record. If he has left behind him a number of unsatisfactory accounts, the chances are that he would not prove to be a desirable risk. The trend of credit bureau management and ownership on this continent appears to be from that of privately to merchant owned. A recent survey showed that 14 per cent were privately owned, 78 per cent by the local merchants, and 8 per cent by trade associations. The latter, in reality, are merchant organizations so that 86 per cent of the credit bureaus are truly cooperative in both function and ownership. Cooperation is the key-stone of credit interchange, and its success depends upon this factor.

During the five years subsequent to the formation of the Canadian Association, a number of western bureaus were admitted to membership followed closely by several in the Maritime Provinces, so that our organization now includes approximately 75 bureaus from Halifax to Victoria.

The activities of this Association are mainly educational and much active support is extended to the Canadian Credit Institute which sponsors the degree courses in credit work afforded through the University of Toronto Extension. Our chief aims are to raise the standards of credit reporting throughout the credit bureau structure, and to promote the interests of consumer credit granting as it effects the retailer. We endeavor to interpret the relationship between merchant and customer, to encourage the sane extension of credit to deserving risks, and to assist the merchant in avoiding unnecessary bad debt losses.

Through conferences, both National and Provincial, much is accomplished to standardize methods of operation and use of forms. West gives to East and East to West which cannot but consolidate thought and action, which in turn generates a policy of mutual understanding and good will.

Central Billing For Reports

One feature of Association activities which proves invaluable to firms conducting a national business is an arrangement whereby a sales representative of a company whose head office, say, is in Toronto, may request a report from the credit bureau in Vancouver, Calgary, Hamilton, or St. John which would reach their credit manager in Toronto practically as soon as the order is received. The requisitions for the reports are assembled and one central billing is made to the company at the end of each month.

The problems which must be served by the credit bureaus of Canada pertain to both the present and the

future, and in facing them the cooperation of more than 70 bureaus across our country is necessary, together with the support of the fifteen thousand merchants, finance companies, banks and other granters of consumer credit who are making use of credit bureau services.

The necessity of keeping the bureau structure functioning properly should be appreciated by all those engaged in consumer credit extension, and this can best be accomplished through full and complete use of credit bureau facilities. Keep in mind that credit bureau service is not an expense but an investment paying substantial returns.

Our services are vital to those merchants, financial institutions, and professional men whose dealings require confidence in the capacity of the consumer to repay. In the records of the members of the Associated Credit Bureaus of Canada are contained close to three million ratings representative of the Canadian buying public. ***

C. B. Worthington Retires

CHARLES B. WORTHINGTON, Credit Manager, Strawbridge & Clothier, Philadelphia, Pa., will retire November 1, 1949. He has been with the store since 1903, Credit Manager since 1939, and after 40 years of loyal service is looking forward to fulfilling many plans in his retirement. He was always a supporter of the credit bureau and a believer in the one central file of credit information. He is charter member of the Philadelphia Retail Credit Manager's Association.

The position of Credit Manager has been filled by Frank M. Layton, formerly assistant credit manager. He has been in the department for the past 20 years. He is active in the Credit Manager's Group of the Associated Merchandising Corp., and a member of the Philadelphia Retail Credit Manager's Association. Russell T. Carvin has been appointed assistant credit manager from his place in the Treasurer's office where he has been doing research work. ***

Notice

Secretaries of local N. R. C. A. units should send to the national office the new list of officers and directors for the coming year immediately after the annual election. Address Arthur H. Hert, National Retail Credit Association, 218 Shell Bldg., St. Louis 3, Mo.



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Name _____

Firm _____

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City _____ Zone _____ State _____

Collection Scoreboard

Compiled by the Research Division

August, 1949

August, 1948

CITIES	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES					
	1949			1948			1949			1948			1949			1948			1949			1948		
	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO
Atlanta, Ga.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Baltimore, Md.	49.0	53.1	45.4	46.9	51.7	43.3	22.0	35.2	17.3	22.9	28.9	19.5	42.6	45.5	39.0	42.9	45.3	40.0	41.2	41.5	41.0	44.5	46.3	42.6
Birmingham, Ala.	47.5	57.1	38.0	49.5	58.8	40.0	21.3	25.0	17.0	23.2	28.7	19.0	39.1	45.1	33.0	48.7	49.3	48.0	51.7	52.5	51.0	55.8	59.2	52.6
Boston, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cedar Rapids, Ia.	59.7	63.6	55.9	—	62.1	—	22.1	25.2	19.0	—	24.0	—	—	86.5	—	—	82.5	—	65.4	72.5	58.3	68.8	70.3	67.2
Cincinnati, Ohio	58.4	62.4	54.0	56.8	61.4	52.0	18.7	23.9	14.6	18.6	26.9	12.3	59.5	63.1	56.0	57.6	61.2	54.1	52.1	57.7	46.5	50.8	58.0	43.6
Cleveland, Ohio	50.7	54.4	49.2	51.4	54.6	50.7	26.9	28.3	18.5	27.9	30.1	22.3	45.8	49.0	38.7	42.5	46.0	39.5	70.7	96.2	45.1	68.8	92.0	44.7
Columbus, Ohio	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Davenport, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Denver, Colo.	51.5	61.7	49.1	55.8	59.5	49.5	20.1	51.5	19.1	27.6	45.4	18.1	52.8	55.3	50.3	55.8	56.3	55.3	—	—	—	—	—	—
Des Moines, Ia.	—	—	—	52.4	52.7	52.1	—	—	—	—	—	—	50.2	57.8	62.6	66.1	73.8	58.5	53.9	59.9	48.0	57.6	66.0	49.2
Detroit, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grand Rapids, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Kansas City, Mo.	61.2	62.5	58.0	61.3	64.2	57.2	21.0	30.0	23.0	26.2	31.8	20.0	60.2	63.1	52.8	61.0	63.3	49.7	60.2	63.1	52.8	61.0	63.3	49.7
Little Rock, Ark.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Los Angeles, Calif.	53.9	69.1	46.6	61.4	70.1	47.3	18.6	21.3	16.6	21.9	24.4	14.0	55.9	61.7	50.1	55.3	62.0	48.5	51.5	63.5	46.0	58.0	68.6	48.0
Louisville, Ky.	48.2	48.5	47.9	48.6	51.5	45.8	18.6	21.7	13.3	17.9	21.6	13.3	44.5	54.2	35.0	42.4	45.8	37.0	47.3	52.9	44.1	47.6	51.6	45.0
Lynn, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Milwaukee, Wis.	59.6	65.3	51.9	58.1	68.0	51.9	18.1	33.3	18.0	23.6	36.4	20.7	—	55.8	—	—	53.5	—	67.5	80.3	54.8	65.1	75.4	54.9
Minneapolis, Minn.	61.7	65.2	57.0	62.7	66.6	58.7	24.3	27.1	16.8	25.6	31.3	22.0	66.1	67.0	65.2	63.7	68.0	59.3	57.3	63.2	51.3	61.6	71.2	55.5
New Orleans, La.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
New York, N. Y.	50.0	53.4	39.4	48.2	58.0	35.5	22.5	43.9	17.2	22.2	41.2	16.5	—	43.6	—	38.9	39.4	38.4	49.6	55.2	44.0	54.5	61.1	47.9
Oakland, Calif.	—	—	—	53.2	58.7	46.1	—	—	—	—	25.6	33.2	20.4	—	—	—	52.9	—	—	—	—	55.4	60.2	39.0
Omaha, Neb.	62.2	68.9	55.5	65.2	73.9	56.4	—	22.7	—	20.1	26.8	13.4	51.6	56.6	46.5	53.6	60.2	47.0	—	56.6	—	—	—	54.5
Pittsburgh, Pa.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Providence, R. I.	49.4	57.0	45.7	45.0	55.1	42.8	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
St. Louis, Mo.	55.2	61.0	50.2	53.1	56.2	48.1	22.8	25.8	19.7	29.1	31.3	26.9	50.8	61.4	39.1	50.8	68.0	38.7	52.2	56.5	46.3	50.7	53.3	47.7
Salt Lake City, Utah	64.6	68.6	62.8	66.5	70.0	62.8	24.5	26.1	22.3	32.0	34.6	26.8	—	—	—	—	—	—	50.2	53.2	47.2	53.4	57.4	49.5
San Francisco, Calif.	—	—	—	62.9	70.8	55.6	—	—	—	—	—	—	—	—	—	59.9	65.8	53.7	—	—	—	64.9	68.2	60.6
Santa Barbara, Calif.	61.5	69.9	47.6	62.9	70.8	55.6	—	—	—	—	—	—	58.0	67.8	46.3	59.9	65.8	53.7	61.4	65.7	54.9	64.9	68.2	60.6
Sioux City, Ia.	60.2	60.8	59.7	64.9	65.8	64.0	22.2	24.6	19.8	31.2	37.2	25.2	—	—	—	71.0	—	—	60.2	67.9	52.5	67.8	68.6	67.0
Spokane, Wash.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Springfield, Mass.	63.9	68.5	59.4	59.6	63.6	55.6	23.2	24.7	21.7	24.5	25.4	23.5	—	70.6	—	—	68.6	—	—	54.7	—	—	57.1	—
Toledo, Ohio	57.6	60.2	50.3	51.0	56.7	45.8	21.2	25.7	16.4	20.7	21.8	15.0	54.7	58.9	47.9	57.2	57.5	52.4	38.9	44.0	33.8	45.3	50.0	40.7
Tulsa, Okla.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Washington, D. C.	48.4	51.9	46.2	48.1	52.3	45.6	20.0	24.2	16.0	22.9	26.9	17.8	—	—	—	—	—	—	—	—	—	—	—	—
Worcester, Mass.	51.0	57.3	45.1	47.8	55.5	43.9	31.2	38.9	29.9	31.8	37.0	24.7	46.5	50.0	43.0	43.1	53.0	33.2	—	—	—	—	—	—
Youngstown, Ohio	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ottawa, Ont.	—	—	—	44.5	52.2	27.1	—	—	—	—	19.0	46.0	14.1	—	—	—	—	—	—	—	—	—	—	—
Vancouver, B. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Victoria, B. C.	—	—	—	64.9	73.0	56.9	—	—	—	—	25.8	26.7	25.0	—	—	—	—	—	—	—	—	—	—	—

INSTALLMENT ACCOUNTS receivable at department stores declined slightly during July, a period of little seasonal change, but continued well above the amount outstanding a year earlier. Collections on installment accounts amounted to 8 per cent less than in June. The collection ratio, based on first-of-month accounts receivable, was 22 per cent in July, two points below that in the preceding month and one point less than the ratio for the corresponding month of 1948. In July this year installment accounts were being repaid, on the average, in about eight months. Charge accounts receivable, which are customarily smaller at the end of July than a month earlier, declined

13 per cent. A more than comparable decrease was noted in collections during July and the collection ratio was down four points to 50 per cent. Department store sales showed somewhat more than the usual seasonal decline in July with substantial decreases reported for each type of transaction. Cash sales were about one-fourth below those in June and remained well below year-ago levels. Charge-account sales, which account for a substantial proportion of the total, were 30 per cent smaller in July than a month earlier, while installment sales were down 12 per cent. Both types of credit sale were about one-tenth below those in the corresponding period of 1948.—Federal Reserve Board.

Monthly CREDIT STATISTICS



CONSUMER CREDIT OUTSTANDING at the end of July is estimated at 16,185 million dollars, 63 million more than a month earlier. Further increases in instalment credit segments were offset in part by a seasonal decline in charge-account indebtedness. The total amount outstanding continued to be about 10 per cent larger than a year earlier. Total instalment credit rose 208 million dollars during July to 9,322 million. More than one-half of the expansion occurred in automobile sale credit originating at dealers which has shown a steady rate of increase for five consecutive months. Other instalment sale credit was up slightly during July as has been usual in other recent years. Both types of instalment sale credit were still considerably above year-ago levels. Instalment loan balances rose 63 million dollars in July and continued well above the corresponding totals for the preceding year. Charge-account indebtedness, which is usually reduced in July, was 5 per cent smaller than on June 30.

Ratio of Collections to Accounts Receivable¹

MONTH	INSTALMENT ACCOUNTS				CHARGE ACCOUNTS
	DEPARTMENT STORES	FURNITURE STORES	HOUSEHOLD APPLIANCE STORES	JEWELRY STORES	DEPARTMENT STORES
1944					
December.....	37	19	28	33	62
1945					
December.....	37	20	30	31	61
1946					
December.....	36	21	26	30	54
1947					
January.....	30	18	26	18	52
June.....	28	18	25	16	54
December.....	29	16	21	21	54
1948					
January.....	24	14	19	15	53
June.....	24	16	17	16	52
December.....	25	14	15	20	53
1949					
January.....	22	12	15	14	52
February.....	22	12	14	13	50
March.....	25	14	15	14	50
April.....	24	13	14	14	53
May.....	24	13	14	14	53
June.....	24	12	14	14	54
July.....	22	12	13	13	50

¹Ratio of collections during month to accounts receivable at beginning of month.

TOTAL CONSUMER CREDIT, BY MAJOR PARTS

[Estimated amounts outstanding. In millions of dollars]

END OF MONTH OR YEAR	TOTAL CONSUMER CREDIT	TOTAL INSTALMENT CREDIT	INSTALMENT CREDIT				SINGLE- PAYMENT LOANS	CHARGE ACCOUNTS	SERVICE CREDIT
			SALES CREDIT			LOANS			
			TOTAL	AUTOMOTIVE	OTHER				
1944									
June.....	5,218	1,872	764	192	572	1,108	1,260	1,370	716
1945									
June.....	5,695	1,994	763	188	575	1,231	1,411	1,544	746
1946									
June.....	7,915	2,906	1,091	336	755	1,815	1,852	2,327	830
1947									
January.....	10,067	4,080	1,656	581	1,075	2,433	2,339	2,764	875
June.....	11,380	5,065	2,192	880	1,312	2,873	2,512	2,887	916
December.....	13,673	6,434	3,086	1,151	1,935	3,348	2,707	3,612	920
1948									
January.....	13,374	6,468	3,064	1,202	1,862	3,404	2,742	3,240	924
June.....	14,669	7,533	3,720	1,602	2,118	3,813	2,839	3,352	945
December.....	16,319	8,600	4,528	1,961	2,567	4,072	2,902	3,854	963
1949									
January.....	15,749	8,425	4,371	1,945	2,406	4,054	2,904	3,457	963
February.....	15,332	8,339	4,306	1,966	2,310	4,033	2,865	3,176	952
March.....	15,360	8,427	4,302	2,105	2,257	4,065	2,816	3,148	969
April.....	15,618	8,627	4,514	2,241	2,273	4,113	2,764	3,256	969
May.....	15,856	8,887	4,717	2,386	2,331	4,170	2,739	3,249	981
June.....	16,122	9,114	4,807	2,496	2,368	4,247	2,752	3,282	974
July.....	16,185	9,322	5,012	2,614	2,398	4,310	2,768	3,130	965

CONSUMER INSTALMENT SALE CREDIT, EXCLUDING AUTOMOTIVE

[Estimated amounts outstanding. In millions of dollars]

END OF MONTH OR YEAR	TOTAL EXCLUDING AUTOMOTIVE	DEPARTMENT STORES AND MAIL-ORDER HOUSES	FURNITURE STORES	HOUSEHOLD APPLIANCE STORES	JEWELRY STORES	ALL OTHER RETAIL STORES
1944						
June.....	572	137	255	53	37	90
1945						
June.....	575	150	254	42	38	91
1946						
June.....	755	210	314	66	47	119
1947						
January.....	1,075	337	372	115	82	169
June.....	1,312	423	427	168	87	207
December.....	1,935	650	587	249	144	306
1948						
January.....	1,862	632	559	246	132	293
June.....	2,118	720	621	322	121	334
December.....	2,567	874	750	387	152	404
1949						
January.....	2,406	816	704	366	141	379
February.....	2,310	778	695	353	130	364
March.....	2,257	754	675	348	124	356
April.....	2,273	758	683	351	123	354
May.....	2,331	770	704	367	123	367
June.....	2,368	771	718	362	124	373
July.....	2,398	763	728	406	123	378

DEPARTMENT STORE SALES BY TYPE (Percentage of total sales)

YEAR AND MONTH	CASH SALES	INSTALMENT SALES	CHARGE-ACCOUNT SALES
1944—December.....	64	4	32
1945—December.....	64	4	32
1946—December.....	57	5	38
1947—December.....	57	6	37
June.....	55	6	39
December.....	54	7	39
1948—January.....	54	7	39
June.....	52	7	41
December.....	53	8	41
1949—January.....	52	7	41
February.....	51	7	42
March.....	51	7	42
April.....	51	8	41
May.....	50	8	42
June.....	51	7	42
July.....	52	7	39

Business Conditions and Outlook

● Fall Prospects for Business Indicate Little Change in Pace ●

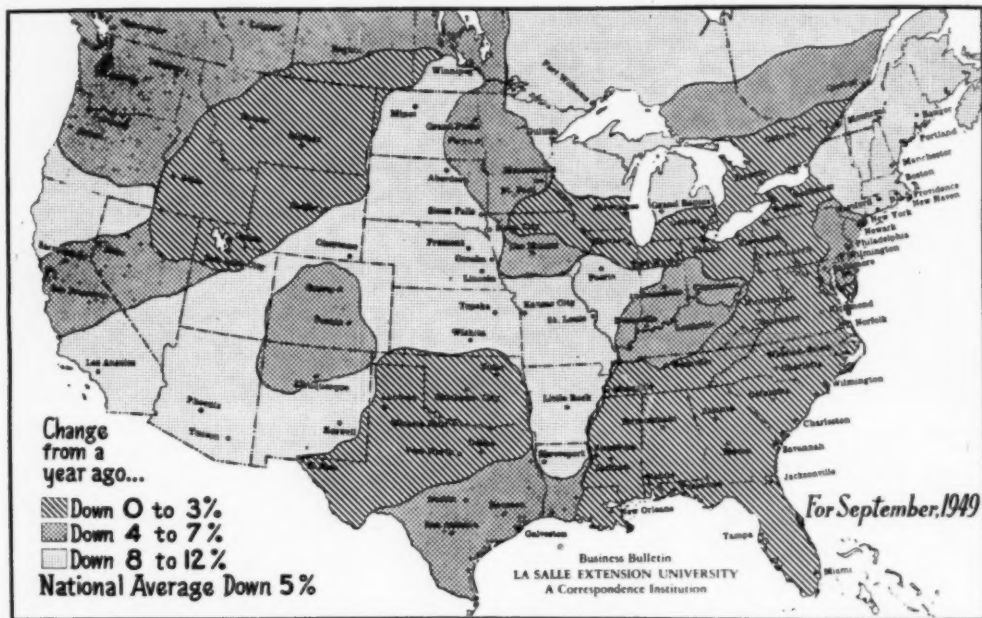
THE FIFTH POSTWAR year has begun with the volume of trade and other phases of business activity lagging below the peak and also below that of a year ago. Some signs point toward a possible improvement in a number of lines, but they are not likely to overcome fully the adverse trends in other lines. The volume of business as measured by financial transactions is about 5 per cent lower than it was a year ago and has declined more than that amount from the peak. The output of factories and mines has dropped more than 12 per cent, but the decline is slowing down and a few industries expanded operations last month. The forces which sustain business are evidently quite evenly balanced with those working in the opposite direction.

BUSINESS VOLUME continues to be least favorable in the New England states, in many parts of the Middle West, and in the southern half of the Pacific Coast region. Activity in New England has been lagging behind the national average of many months and the falling off in the production of several types of goods has been large. The textile industry, for example, was one of the earliest to begin declining in the process of readjusting to more nearly normal demand. Manufacturing forms a larger part of total activity in these states than it does in any other section of the country. Much of this manufacturing consists of a wide variety of consumer goods, rather than of heavy industrial equipment. For that reason, the recent relatively good showing being made by the heavy goods industry has had but little influence on business in this area.

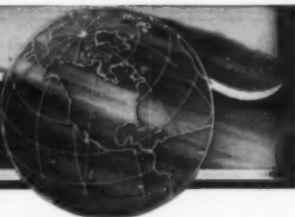
Best business conditions have been reported in much of the South and the Southeast, as well as in many parts of the industrial area around the Great Lakes. In some communities, business activity is slightly above last year, but the areas are too small to be indicated on the LaSalle Map this month. If they continue to improve, they will become significant enough to be portrayed later. A large number of factors account for the better-than-average conditions. One is that several major industries have been operating at close to peak levels throughout much of this year. Outstanding examples are the automobile industry, construction, and until recently, the steel industry, as well as plants making heavy machinery and equipment.

ALSO SIGNIFICANT is the good showing being made in Texas and parts of the Southwest. Even the decline in the production of petroleum has not greatly affected business volume in the oil-producing regions. Bumper crops and large numbers of livestock have helped to sustain business.

IN CANADA, the volume of trade and industry has been holding steady at a level not far from the postwar peak. Agricultural prospects indicate that crops will be about average, and although prices are lower, the total farm income will be close to the record high. Industrial production and foreign trade also are being well maintained and most business indicators point to a continuation of the present high level of employment, production, and sales.—BUSINESS BULLETIN, La Salle Extension University, Chicago, Ill.



In The NEWS



THE BIRTH RATE is rising for American women, with the largest increase by college women. They have shown an 81 per cent gain since 1940 compared with a 28 per cent gain for grade school graduates.

A SURVEY published by the Credit Research Foundation shows that past-due accounts are currently running about 7.5 per cent. A year ago the average was only 5.5 per cent. The percentage of new accounts in the slow-pay category has increased in the last three months, according to the majority of the credit executives polled.

CONSUMER INSTALMENT LOANS outstanding increased 2 per cent during July at the principal types of lending institutions. This brought the total to 3,458 million dollars by the end of the month. New loans made during July exceeded that of the same period last year by about 8 per cent.

AS A DOWN PAYMENT on a used car, an Alton, Ill., man traded four hogs plus \$50.00 cash to the salesman, altogether making a down payment amounting to \$200.00 on a \$995.00 car.

ACCORDING TO RECORDS kept by the U. S. Department of Agriculture over a period of years, when family incomes are decreased, the amount of money spent on food decreases, but not as much as it does for other services. As incomes increase, expenditures for food do also but not as much as for other items.

THERE ARE more than 48,000 people employed in the food business now than in the same period a year ago.

A UNIQUE TELEPHONE answering device picks up your receiver and informs the party that you are unavailable. It then requests a message which in turn is transcribed on a wire recorder. At the close of the message, the receiver automatically hangs up.

RECENT U. S. CENSUS studies reveal that 37 per cent of U. S. citizens have at least a high school education. This is an increase over the figure of 7 per cent in 1920. The estimate for 1960 is 51 per cent.

IN A SPEECH made by Herbert Hoover, he gave these figures: The average working citizen now must work 61 days a year to pay taxes supporting the government; local, state and federal. Of these, 11 days' work is to pay obligations from former wars; 24 for national defense and the cold war; 2 for other federal expenditures; and 14 for state and local government.

AS A LURE to movie patrons, a group of producers have the idea of issuing credit cards to those with boxoffice charge accounts, to be billed monthly.

NATIONAL ADVERTISING will inform customers of a plan of Noblitt-Sparks Industries, whereby Christmas gifts can be selected from their line at local stores on a lay-away plan. These purchases are recorded in books and delivery made when payments are completed. A pair of hurricane lamps is given with each purchase at no charge.

CONSUMERS' PRICES are down 0.3 per cent from June 1949 to July 1949 according to a monthly survey of the National Industrial Conference Board. There is a drop of 3.2 per cent from a year ago. The purchasing value of the consumer dollar was 62.1 cents in July 1949, an increase of 3.3 per cent over that of a year ago. Changes in that month are: housing increased 0.4 per cent and decreases occurred in house furnishings of 1.1 per cent, clothing 0.7 per cent and fuel 0.1 per cent.

FURNITURE STORE sales in July 1949 were 12 per cent below the June volume and 14 per cent under that of a year ago. Charge account sales dropped off 15 per cent in July, as did cash sales. Instalment business decreased 10 per cent. Inventories declined 5 per cent in July and at the end of the month were 17 per cent below those carried a year ago, and represent a four months' supply.

INSTALMENT ACCOUNTS receivable at furniture and household appliance stores increased in July for the fourth consecutive month. At the end of July outstanding balances at these two kinds of retail stores were well over that of a year ago. Customers' instalment accounts outstanding at jewelry stores declined slightly but continue larger than those of a year earlier.

COLLECTIONS ARE BETTER now in one large store in the East than they were at this time last year. In an attempt to keep collections up, this store has decreased the period before starting to collect on the account. Whereas formerly the customer had 90 days from date of purchase till an attempt was first made to collect, now an attempt is made the second billing month. However, no mechanical dunning system is used. Trained collection men consult a history of the account and use their judgment on whether or not to dun. These accounts are personally handled by trained credit men with years of experience.

IN NEW YORK STATE more than half of the money deposited in the savings banks is owned by people 50 years of age or older, with only 7 per cent owned by people under thirty. In a recent survey it was found that 32 per cent of the money is owned by women and 33 per cent is in joint accounts.

AVERAGE SPENDABLE income on a per capita basis for the nation last year was \$1,289.00. However, the average family income in the United States last year was \$4,531.00.

NEARLY 50 PER CENT of consumer spending on durable goods is by instalment plan at the present time.

THREE OUT OF EVERY TEN workers, approximately, are women, most of whom work in trade, service and government fields. The gain in women employees is in those of 35 years old or over, and there has been a large increase in the number of working wives.

AT THE END of this year, the growing population of the United States should exceed 151,000,000; the total number of households should approximate 42,400,000; families should exceed 39,000,000 not including 9,000,000 individuals not in families. Perhaps the most important development in population trends is that families are increasing faster than individuals. Between 1940 and 1960 the number of families is expected to increase about 31 per cent, while the total population will rise by only 20 per cent.

A NEW PLAN of payment on women's, men's and children's apparel and accessories in a Minneapolis store provides for three equal payments over three months on any item or group of items bought at one time and totaling \$15.00 or more. There is no down payment, no carrying charge, and no contract involved.

CITY FAMILIES SPENT an average of \$25.57 a week for food, or 32 per cent of their total weekly income in the Spring of 1948, according to the Department of Agriculture. The survey showed that a larger part of income went for food in 1948 than it did in 1942.

Our Educational Program

THE NATIONAL Retail Credit Association considers as one of its prime purposes the encouragement and promotion of Credit Educational Courses. There is a constant need for credit education and this has been met by a long term, carefully considered program.



Credit Schools, sponsored by the National, have in past years amply proved their value in scores of cities and communities throughout the United States and Canada, by bringing about a better understanding of credit methods and procedures. Publicity given the Schools has often led to definite improvement in local credit conditions.

This year, with the recent publication of the new book *RETAIL CREDIT MANAGEMENT* by Dr. Clyde William Phelps, the Association is enabled to offer a well rounded program of Credit Schools designed to appeal to all students of retail credit. Particularly in the face of the changing conditions of today, and with many credit departments confronted with the necessity of training new personnel, the importance of providing credit education is clear.

The success of our efforts in providing the Courses depends entirely on the cooperation of local Credit Associations, in collaboration with their Credit Bureaus, and upon Credit Bureaus alone in cities where local associations of credit granters have not been organized.

Credit Granters and Bureau Managers are urged to investigate the desirability of establishing and operating Credit Schools as a definite contribution to the entire community. Here is a brief outline of the program:

Credit School No. 1, *RETAIL CREDIT FUNDAMENTALS*

Credit School No. 2, *RETAIL CREDIT MANAGEMENT*

Credit School No. 3, *STREAMLINED LETTERS*

The textbooks for Credit Schools Nos. 1 and 2 have been written by Dr. Clyde William Phelps, Professor of Economics of the Graduate School, University of Southern California, well known to us because of his important contribution to credit education. School No. 3 will use the textbook *STREAMLINED LETTERS* written by Waldo J. Marra, formerly Director of Correspondence, Bank of America, San Francisco, California. Even this brief summary of the Credit Schools will show that the needs of almost all the members of the Credit Department have been provided for, from the youngest beginner to the advanced student. Brochures explaining the program in greater detail and offering valuable suggestions for your assistance in organizing, conducting, and the teaching of Credit Schools are available and will be sent on request. Early action is important. Now is the time to seriously consider Credit Schools for your community.

Another feature of our Educational program is the *BETTER LETTERS SERVICE*, published monthly and available at a nominal fee, it deals with the art of business letter writing. Actual examples are given, both of letters in successful use by outstanding credit executives, and original letters which may be freely used by the subscriber.

As we look forward to the future, the possibilities of still further exploration in the field of credit education seem unlimited. Your assistance and cooperation is sought in the attainment of our common aim, the improvement of the standards of retail credit operation to the benefit of all. The National Office will gladly receive workable suggestions to help bring about this desirable end.

Leonard Berry
EDUCATIONAL DIRECTOR



Faster
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Faster

SPEED is essential in your decisions on credit problems, because of two elements in today's sales picture.

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- Customers are buying more cautiously. With cash sales volume down, credit sales must move up to compensate

in the over-all picture. You want to do a booming credit business, and you want to do it fast and safely.

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In presenting to you this new book by Dr. Clyde Wm. Phelps, it is with the thought that it will be read by everyone interested in this important subject. Dr. Phelps is also the author of our text and reference book, **RETAIL CREDIT FUNDAMENTALS** which was revised recently. This handbook was written expressly for credit personnel in the larger credit departments, and for the many retailers who, burdened with other duties involved in merchandising the store, are also responsible for credit operations. Because of the press of other duties, this important function is often neglected, with resultant slow accounts and eventual bad debts. The book is dedicated, therefore, to the small merchant and the credit novice, in the belief that it will develop credit sales and result in a more efficient and profitable operation. This handbook should be on the desk of each member of the Credit Office Staff. Order a supply TODAY.

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